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Paris, Wednesday, March 10, 1999

Holbrooke In Belgrade To Step Up Kosovo Deal

U.S. Applying Pressure On Serbs and Kosovars Amid Signs of Progress

By Joseph Fitchett

LONDON - Richard Holbrooke, the U.S. negotiator on conflicts in the Baikans, arrived in Belgrade on Tuesday as the United States stepped up pressure on both the ethnic Albanians and the Serbs to sign a draft plan to achieve peace in embattled Kosovo.

The Yogoslav position has been tough and uncompromising," Mr. Hol-brooke said in Belgrade. "Meanwhile, there's fighting which concerns us greatly in parts of Kosovo."

Mr. Holbrooke stressed that he saw this as a time of great concern. We might be on a collision course here between Yugoslavia and the Westem authorities, including NATO," he

warned. "We come in peace but the threat of greater war is ever present." Referring to plans for negotiators to gather in Paris and renew the recent inconclusive talks, he said:

"We are six days away from the resumption of the talks in France. We are only a few days away from a tragedy of even greater dimensions than what has occurred already.

'I look forward to talks with Pres ident Milosevic tomorrow to convey to him the great seriousness with which the United States government takes the situation, and to convey to him our view of. the consequences of the situation if it does not improve dramatically before

and during the talks in Paris."
Mr. Holbrooke's mission will be to restore the credibility of the threats by the North Atlantic Treaty Organization to use air raids, if necessary, to achieve Serbian acceptance of the peace terms. for Kosovo, according to policymakers.

The objective is to get a deal now so. that the negotiations do not get reoriened and itsk designing in the state of the same meet again in Paris next Monday," an

can expect Western pressure for them to compromise if the new round of talks

drags on in open-ended negotiations. Mr. Holbrooke's diplomacy, backed hy air strikes, forced Mr. Milosevic to sign the Dayton accords on Bosnia, ending the long Muslim, Scrbian and Croa-

tian civil war This time, he will start bargaining without the trump card of unquestioned NATO determination to bomb Serbian military targets if the deadlock per-

Politically, NATO needs the ethnic Albanians' signature to the peace plan so the West can, if it chooses, single out Mr. Milosevic as the obstacle to peace, a

U.S. policymaker said. .. That acceptance was reportedly nomised tentatively to Washington last seekend by the ethnic Albanians. Hopes that formal approval would soon follow were voiced by officials in Longion to take part in a NATO conference organized by the Royal United Services

'We need acceptance from the Koso-s — clear and unconditional — as

See NATO, Page 6



President Scalfaro and President Khatami inspecting a guard of honor in Rome on Tuesday.

RJR Nabisco to Split Up Company

International Cigarettes Unit Sold to Japan Tobacco for \$8 Billion

By Mitchell Martin rnational Herald Tribune

NEW YORK - Bowing to investor sure after years of mediocre returns, RJR Nabsico Holdings Corp. said Tuesday that it planned to divest its tobacco holdings, spinning off its U.S. operations to shareholders and selling its international business to Japan Tobacco

The actions would bring to an end the year amalgamation of two of America's best-known sellers of branded consumer products. The moves also mark

of corporate battles, the most famous of which was chronicled in the book and movie "Barbarians at the Gate."

R.J. Reynolds Tobacco Co. bought Nabisco Brands for \$4.9 billion in 1985. part of an expansion into the food industry that began in the 1960s with the purchase of such companies as Del Monte. That brought together Reynolds cigarette names such as Camel and Winstoo with Nabisco's Oreo and Animal Crackers cookies,.

But the stock market never put as high a value on the merged companies the beginning of a new chapter for a as management thought they deserved.

company that has gone through a series and in 1988 RJR Nabisco's chief executive, Ross Johnson, and other managers tried to take the company private in a leveraged huyout. Their \$17 hillioo offer was eventually topped by a \$25 billion hid from Kohlberg, Kravis, Roberts & Co. in what was then the largest acquisition of all time and was immortalized in the book and movie that was emblematic of the deht-driven huyout binge of the late 1980s.

In 1991, RIR Nahisco went public again, but its stock languished below \$30 a share, about half the price at which

See DEAL, Page 6

Khatami in Italy To Break Isolation

His Visit to West Europe Is First By an Iranian Leader Since '79

By Alessandra Stanley
New York Times Service

ROME - Seeking to break his counry's isolation, President Mohammad Khatami of Iran arrived in Italy oo Tuesday for a three-day visit. He is the first Iranian leader to visit Western Europe since the Islamic Revolution toppled the

Shah in 1979. Iran's faltering economy badly needs foreign investment and Mr. Khatami was believed to be seeking to improve his regime's credibility and to obtain trade and loans. The United States, which still views Iran as a state that supports terrorism, has sought to en-courage signs of reform, but it has oot lifted its trade embargo. Europe has proven far less diffident.

Italy, which has taken the lead among its partners in seeking economic and political reconciliation with Tehran, welcomed Mr. Khatami with tight security and full honors.

Mr. Khatami was greeted at the air-port by Foreign Minister Lamberto Dini, who orchestrated the visit. The Iranian leader, a Shiite cleric, was ex-pected to meet Thursday with Pope John Paul II, in a historic audience that the Vatican welcomes as a chance to improve relations between the Roman atholic Church and Islam.

After meeting President Luigi Scalfaro of Italy, Mr. Khatami said: "As you

know, each visit is a means of friendship which is very important to our country."
For the Italian government, diplomacy is tightly entwined with economic interests. The amit country is the control of interests. The visit comes only a week after the Italian energy group ENI and the French oil company Elf-Aquitaine signed a \$1 hillion contract to develop the Dorood oil field in Iran, which is expected to raise the field's production of crude oil to 220,000 barrels a day. Washington has repeatedly expressed dismay over that deal.

But Italian officials say they think

their overtures to Mr. Khamati, whom they view as a moderate intent on modemizing Iranian society and loosening the grip of its fundamentalist clergy, are also of benefit to the United States

Mr. Dini said: "I am oot coovinced that the United States does oot view with favor our initiative toward Iran." Mr. Dini, who accompanied Prime Minister Massimo D'Alema on his visit to the White House last week, said that President Bill Clinton and other U.S. officials had expressed great interest in Italy's effort to support what he described as Mr. Khatami's new course.

He said the United States was not leased by the recent oil contract, but that he did not expect the U.S. to seek to block it or sanction France or Italy. "They do not like it, but at the same time they are tolerating it," he told Italian radio.

A 1996 law requires the U.S. administration to impose sanctions on companies or foreign countries that invest more than \$20 million in Iran's energy sector. Last May, the United States established a policy whereby it could waive those sanctions in certain cases, and it recently granted a waiver to the French company Total, which signed a \$2 billion deal to develop an Iranian gas field in 1997.

The United States has stressed the pro-

liferation of nuclear weapons and human rights violations in Iran, and the Italian government said Tuesday it would do the same. Mr. Dini said: "Italy, of course, will be very careful to condemn abuses of human rights and democracy in Iran, as well as any sign of acquiring or spreading weapons of mass destruction."

But he added that it was in everyone's interest to support modernization in Iran. Iran is a hig country and its democracy and stability is important to the entire Middle East," he said. "I think that through openness and dialogue there is everything to gain and nothing to lose."
Mr. Khatami, who was elected 21

See IRAN, Page 6

Blood Trial

Ex-Leader

Acquits Paris

By Craig R. Whitney
New York Times Service

PARIS - A former Freech prime

Both President Milosévic and extremists among the ethnic Albanians Sony, in a Giant Overhaul, **Sets Sights on Networking**

By Stephanie Strom
New York Times Service

TOKYO - Sooy Corp. announced a sweeping corporate overhaul Tuesday aimed at decisively changing the com-pany's identity from a manufacturer of consumer electronics to a provider of digital network services.

The plan will eliminate 10 percent of Sony's work force, or about 17,000

The changes began when Nobuyuki Idei became CEO in 1995. Page 13.

jobs, and close 15 manufacturing plants around the world. "This is not just a change in our organization but in the whole Sony group," said Norio Ohga,

Sony plans to eliminate the jobs through attrition and a hiring freeze, and close the 15 plants by the end of March 2003. Sony will also reabsorb three pub-

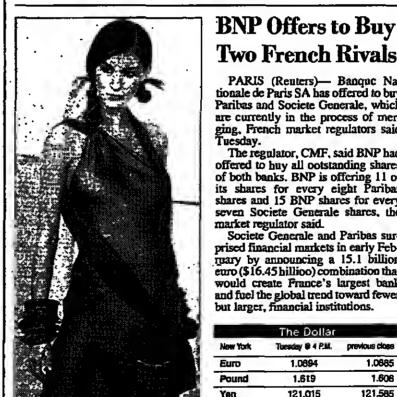
licly traded companies — Sony Music Entertainment Inc., Sony Chemicals Corp. and Sony Precision Technology Inc. - in which it holds majority stakes, and reduce the number of internal group companies from 10 to 3.

Nobuyuki Idei, Sony's president, said these steps would help to restore the company's profitability, which has been battered by the global economic slump. He stressed that a change in focus was Mr. Idei said Sony's new focus would

be the octwork business: essentially the business of linking consumers to a variety of services either through their computers or their televisions. "We have to make it possible for Sony's customers to directly link themselves with our products and services and for Sooy to distribute its movies, music, games and personal finance tools and services directly to its customers," he said.

See SONY, Page 6

AGENDA



PARIS (Reuters)— Banque Nationale de Paris SA has offered to buy Paribas and Societe Generale, which are currently in the process of merging, French market regulators said Tuesday.

Two French Rivals

The regulator, CMF, said BNP had offered to huy all ootstanding shares of both banks. BNP is offering 11 of its shares for every eight Paribas shares and 15 BNP shares for every seven Societe Generale shares, the market regulator said.

Societe Generale and Paribas surprised financial markets in early Febmary by announcing a 15.1 billion

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-2.86	1,279.87	- 0.22%
	Nasdaq	
- 4.68	2,392.94	— 0.20%
Crossword	**********	Page 4.
Opinion		Pages 8-9.
The Interna	rket	Pages 12.20.

minister and a member of his cabinet were acquitted Tuesday of criminal oegligence and manslaughter. They had been charged after the deaths of hundreds of people who contracted AIDS in the mid-1980s from transfusions of blood infected with the virus. A specially coovened jury of leg-islators and professional judges cleared former Prime Minister Laurent Fabius, oow speaker of the National Assembly. and Georgina Dufoix, who was minister of social affairs in the government he headed from 1984 to 1986, of all charges of criminal responsibility for loss of life caused by negligence in the state-su-pervised oational health system.

should have ordered untreated bloc	X
supplies destroyed as soon as the risk	οf
their being cootaminated with the viri	15
was known.	
But the court, convened for the fir	st
time in the 40-year history of the Fift	'n
Republic, imposed no sentence on M	r.
Herve. It could have given him up t	ot
five years, but it ruled that the protracte	d
scandal had deprived him of the right	Q
presumption of innocence.	
Mr. Herve, 56, said of the court after	er

Edmond Herve, who was health min-

ister under Mrs. Dufoix, was convicted of two cases of negligence. The Court of Justice of the Republic ruled that he

the verdict "It didn't have the courage to find me fully innoceot, oor did it have the conrage to convict me really." That there had been state negligence

in screening blood supplies was never in dispute in the 14 years that it has taken for France to face the question of whether elected high officials should bear more than political responsibility for

See FRANCE, Page 7

For Australia, Timor Is a Delicate Issue

Postindependence Unrest Could Impose a Difficult Peacekeeping Burden

By Michael Richardson International Herald Tribune

SYDNEY - As Indonesia and Portugal prepare to resume talks Wednesday on an Indonesian offer of autonomy for East Timor that is likely to be rejected by the Timorese, Australia is trying to ensure that any transition instead to independence is gradual, peaceful and does not poison its sensitive relations with Indonesia.

As the closest neighbor of East Timor, former Portuguese colony invaded by Indonesian forces in 1975 and annexed in 1976. Australia has key interests at stake in the future of the disputed ter-

ritory, officials and analysts say. The Australian government fears that

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Indonesia pulls out too quickly. The threat of refugees flooding into northern Australia, only 500 kilometers (about 300 miles) away, is putting pressure on Canberra to act as a peacekeeper in a conflict, which might mean putting sub-stantial numbers of Australian troops at risk overseas for the first time since the Vietnam War, in which Australia was an ally of the United States.

'Australia is facing enormous expectations that it will play the leading role in taking the East Timorese issue off Indonesia's hands," the Australian Financial Review said recently. "This

East Timor could crupt in civil strife if could make the issue Canberra's most difficult foreign policy dilemma since the Vietnam War." Richard Woolcott, a former Australian ambassador to Indonesia, said that East Timor would be a fragile state that could require outside aid of 100 million Australian dollars (\$62 million) a year.

Now that early independence is oo the table, and fears of ethnic and religious tensions and payback killings are rife in East Timor in the knowledge that the likely outcome will be independence, Australia has a moral ob-

See TIMOR, Page 4

Chinese-American Arms Designer Fired in U.S. Spy Investigation

By Walter Pincus hingfon Post Service

WASHINGTON - Moving to contain a national security controversy, the Clinton admin-istration has dismissed a Chinese-American weapons designer who was under suspicion of handing onclear secrets to China in the late

The U.S. energy secretary, Bill Richardson, dismissed the Los Alamos National Laboratory weapons designer, Wen Ho Lee, on Monday after the scientist failed a polygraph test conducted by the Federal Bureau of Investigation last month and into how the Chinese may have gained information 10 years ago about the W-88 warhead, then the U.S. Navy's newest strategic warhead and now

Dual-use technologies show difficulties of balancing trade and security. Page 4.

carried by the submarine-launched Trident-2 mis-Mr. Richardson announced the dismissal as complaints arose from key Republicans in Coogress that the Clinton administration has been slow

refused to cooperate with a hureau investigation to investigate and act on allegations that nuclear secrets have leaked to China from Energy Department weapons laboratories.

[Vice President Al Gore on Tuesday hlamed

China's possible theft of American nuclear secrets on a "previous administration" and said President Bill Clintoo had acted to fix an "inherited" problem, Reuters reported from Washington.

[For its part, China on Tuesday again denied reports that it stole U.S. nuclear know-how, denouncing such allegations as unfounded and based on "ulterior motives," The Associated Press re-

ported from Beijing.

[A Foreign Ministry spokesman said such al-

legations demonstrate that "some people" want to hamper improvements in U.S-China ties and disrupt "the normal export by the U.S. of some hightech products to China."]

Speaking Tuesday on an NBC News program. Mr. Richardson defended the cootinued employment of Mr. Lee at the Los Alamos laboratories in New Mexico until Monday, saying that occeded to keep him on to develop a case."

He added that after two years of FBI investigation of Mr. Lee "we still doo't have a law enforcement case." But the investigation, he said,

See SECRETS, Page 6

Turkish Dilemma /A Clash of Principles

Head Scarves in Parliament?

By Amberin Zaman llushington Post Service

STANBUL - With her navy designer pantsuit and silk, cream-colored Islamic bead scarf, Merve Kavakci symbolizes Turkey's resurgent Islamist movement and its imminent show-

down with the country's pro-secular authorities.

Miss Kavakci. 30, a U.S.-trained computer engineering graduate, is one of 17 female parliamentary candidates running on an Islamic-based party's ticker in national elections scheduled for April 18.

She is being touted as the new, moderate face of political Islam in Turkey. But her head scarf, opponents insist, is proof that Islamic politicians are out to destroy the secular foundations of the modern

During an interview in the women-only section at the Islamic-based Virtue Party headquarters in An-kara, Miss Kavakci played down the controversy her candidacy has set off in this predominantly Muslim naoon of 64 million people.

"My head scarf," she explained in flawless English. "is a personal choice which has to do with my faith, it does not reflect my political views."

Of the party's 17 female candidates, eight regularly wear head scarves in deference to religion. But, like most party officials, Miss Kavakci argues that religion does not play a part in the Virtue Party's program.

'Our message is about democracy, human rights, freedom of thought, worship and dress — not Islamic rule," Miss Kavakci said.

Running for a secure Virtue Party seat in Istanhul, Miss Kavakci is virtually guaranteed to be elected. This would make her and another Virtue candidate, Aysenur Tekdal, also seeking a secure seat, the first women with covered heads to sit in Parliament.

But would they be permitted to do so? "That,"

said Mehmet Ali Birand, a leading expert on the Turkish military. "is the million-dollar question." Under law, wearing head scarves is banned in all government offices and other state institutions such

as schools and hospitals. There is concern that the ban could be extended to Parliament. According to Mr. Birand, "what happens at the swearing-in ceremony at the Parliament" will reveal whether the military-led, pro-secular estab-lishment is prepared to accommodate Islamic-oriented politicians or will continue its campaign to

force them from the political scene. The military, which has seized power three times in the 75-year history of the republic. continues to list Islamic fundamentalism, as well as Kurdish separatism, as the "foremost danger" threatening

Turkey's first Islamic-oriented prime ntinister, Necmettin Erbakan, was forced to step down two years ago under military pressure amid accusations that he had sought to introduce Islamic rule.

A constitutional court last year hanned his Islamic-based Welfare Party, the country's largest, on similar charges. Mr. Erbakan was barred from polities for five years.

Days before the court's decision, the Virtue Party was formed under the leadership of Recai Kutan, an avuncular former engineer who has sought to shed the militant rhetoric of Welfare and move closer to

the center-right.

Virtue favors membership in the European Union and backs free-market economic principles.

According to recent opinion polls it is the most popular party in Turkey, with 22 percent of the national vote — slightly higher than the 21 percent the Welfare Party garnered to win the last participations in 1905. liamentary elections, in 1995.

Nazli Ilicak was among the first women recruited to the Virtue Party's executive committee last year as part of its modernization drive. She has a political science degree from a school in Switzerland, does not cover her bead, chain-smokes and occasionally

Mrs. Ilicak, who is among the four female par-liamentary candidates allotted secure Virtue Party seats, said during an interview that "the Islamic head scarf is wom by the majority of Turkish

women."
"I find it absurd," Mrs. Ilicak said, "that on the eve of the 21st century, it's still O.K. for women with the head scarf to be maids but not to be members of Parliament.

She said that the decades-old parliamentary dress code did not forbid women to cover their beads. It merely scipulates that female lawmakers should wear "a tailored skirt and jacket suit."

ESPONDING to charges that the party is deliberately provoking a fresh confron-tation with the generals, the party deputy chairman, Abdullah Gul, said: "We are bowing to the demands of our consotuents. To have backed down from the head scarf, would have been a major display of weakness and cost us many

For pro-secularists, bowever, the head scarf often scornfully described as the "turban" - is a symbol of the religious oppression that they claim Islamists would unleash if they were to come to

"Today they want the head scarf, next it will be the chador," the full-length Islamic cloak and veil, said Didem Ataman, a suhurhan Istanhul resident. "Where are we supposed to draw the line?"

censes and scrapping boats.

between 2003 and 2005.

departure."

The new internacional measures re-

commended in Fehruary at the UN Food

and Agricultural Organization will have

no immediate impact. The first step is to

get an accurate measure of how much

fish the world's fleets really can catch.

Each nation that signs the agreement

pledges to reduce overcapacity, starting

nanonal document on the management

with the Food and Agricultural Orga-

nizatioo. "It might not look like much.

hut in terms of approach it is a significant

ively that the fishing industry's over-capacity is at least 30 percent. Gareth

Porter, a fishenes expert for the World

Wildlife Fund, has estimated overca-

ago that the fishing industry worldwide

The food agency found several years

spending S54 billion more than it

The world's fishing fleet numbers

The new agreement, which was

about 4 million vessels, the agency says.

pushed by the United States and Japan, is

one of a series of UN pacts since 1995 to

address overfishing and the most ex-

their fishermen are so oversubsidized."

There is so much invested in the way

the political barriers are daunting.

pacity at almost 150 percent.

was taking in every year.

The agency has estimated conservat-

is the first sig



"My head scarf," said Merve Kavakci, "is a personal choice which has to do with my faith. It does not reflect my political views.'

Bans on the bead scarf in state universities and government offices are more rigidly enforced than ever under the minority leftist government of Prime Minister Bulent Ecevit.

According to Mazlum-Der, a pro-Islamic buman rights group, thousands of students wearing head scarves have been denied entry to campuses and to year-end exams. About 2,700 teachers at state schools have been suspended or fired for wearing

Last month, riot police, backed by armored personnel carriers, prevented hundreds of students at the Black Sea town of Eregli from entering a school in line with an edict issued by Mr. Ecevit. The edict orders provincial governors, prosecutors and police to take "all necessary measures" against anyone

seeking to "exploit religion." Given the current political climate, several Virtue Party officials are questioning the wisdom of run-

ning women candidates who wear head scarves.

'It's a highly risky and ill-thought ont move," said a party strategist who asked not to be identified.
"The military," he said, "could easily use it as an

excuse to shut us down again."

Miss Kavakci disagrees. "I doo't believe this is going to be a problem," she said. "I know that people will look beyond my head scarf and into my beart and mind. I am young, dynamic and hungry to serve my people. Give me a chance and I can."

Denouncing Dalai Lama, China Marks Anniversary Of '59 Uprising in Tibet

By John Pomfret

BEIJING - On the eve of the 40th anniversary of an uprising against Chinese rule in Tibet, senior Chinese leaders attacked the Dalai Larna on Tuesday as the source of all trouble in Tibet and asserted that he was lying when he recently expressed a willingness to bold negonations with Beijing.

Chinese and Nepalese press reports, meanwhile, said that China had oghtened security on its southern border with Nepal and India to guard against possible ano-Chinese demonstrations in Tibet. Security in the Tibetan capital, Lhasa, was said to be tight, with the police manning checkpoints and being particularly vigilant with Tibetan monks, who are in the vanguard of the Tibetan independence movement in

The Chinese broadside against the Dalai Lama was initiated by Raidi, the chairman of the People's Congress of Tibet, and Legoog, the head of the Tibetan government. Both men, who each use only one name, were in Beijing for the yearly meeting of China's National People's Congress, the rubber-stamp Parliament. Mr. Raidi was personal in his attack on the Dalai Lama, gesticulating intensely to make points about the 1989 Nobel Peace Prize winner.

Mr. Raidi called the Dalai Lama "the chief representative of the feudal serf adding that before Tibet was system. invaded by Chinese Communists in 1950 he-lived as a slave. "Under his rule, the Tibetan people were reduced to animal status.

The Dalai Lama 'has become the loyal tool of anti-China forces,' he continued. 'He is changeable. Whatever position he adopts, his true purpose is to break Tibet from China."

Mr. Raidi's denunciation of the Dalai Lama, part of a recent series of attacks on the exiled leader, illustrates that Beijing has decided to harden its stance against the Tibetan government-in-exile.

Last year there were a few glimmers of hope that meaningful negotiations might resume between the two sides. President Jiang Zemin, during his meeting with President Clinton in June, snggested he would meet with the Tibetan leader if the Dalai Lama recognized that Tibet and Taiwan were part of China. The Dalai Lama has made a statement to this affect but China feels, as Mr. Raidi said, "he is not sincere in his negotiations." Since then the Dalai Lama has said initial, secret talks with China, which were acknowledged by Mr. Jiang,

have stopped.
China's state-run press has published lengthy reports in recent weeks oo the economic and social advances of the and the Dalai Lama for unrest in Tibet. compete with airplanes and automobiles. The U.S. government did support and on city-center-to-city-center trips. train small groups of Tibetan separatists in the 1960s and 1970s. On Monday, Mr. democratic reforms and the elimination

of serfdom in Tibet.' ernment of Mao Zedong and the Dalai Lama co-existed in Tiber in an uneasy alliance. Relations began to deteriorate as the Communist Chinese moved to hring their revolution to Tibet.

On March 8, 1959, the Chinese gova hrief hut futile revolt during which thousands of Tibetans died fighting

Chinese troops.

After the uprising, the Dalai Lama and most of his government — at the head of 80,000 refugees — fled oo March 17, 1959 to India, where they have maintained until today a government-in-exile in the foothills of the Himalayas. The refugee trickle continues to this day.

Ten years ago Monday, China imposed martial law in Lhasa after three days of anti-Chinese riots. Witnesses at May 1, 1990. Since then there have been move toward profitability.

sporadic protests and widespread reports that many of the arrested, including Buddhist monks and nuns, have been beaten for their beliefs.

Beijing claims that Tibet has been part China since the 13th century, though China was ruled by Mongols at the ome. Tibetan activists contend that despite close ties to China, Tibet has been an

independent country.

Mr. Legoog said Tuesday that
Tibetans were richer, healthier and more educated than ever before. Life expectancy, which hovered around 35 years in 1950 when Chinese troops invaded the region, stands now at 66, he said. Mr. Raidi said that if the Dalai Lama

had "not hindered our efforts, we could have achieved some things even faster." scholars do not quihhle with Mr. Legoog's figures, but say most of Tibet's development has been concentrated in the cities, which are inhabited by many Han Chinese. Over the past 20 years, they say, large numbers of ethnic Chinese have come to Tibet to take advantage of preferential wage rates set hy the Chinese government to encourage Han businessmen to relocate, at least temporarily, to Tibet's bigger cities.

Mr. Leggog denied that these ethnic Chinese would soon turn the 2.5 million Tibetans into a minority in their region. There are people who move to Tibet to do business, but no people come to Tibet to settle down," he said. "The weather is very harsh and many of them get sick."

Amtrak Unveils Fast Tilt Trains For Northeast

The Associated Press NEW YORK - Amtrak took the wraps off America's first high-speed rail system Tuesday, a \$2 hillion service that will run between Boston, New York and Washington at speeds up to 150 miles an

The long-awaited new trains will start running in October along tracks that Amtrak currently uses for its Northeast Corridor service. They have been dubbed Acela, a word made up by a marketing firm to indicate swiftness. By electrifying the entire 470-mile

route, straightening curves and using new trains that incorporate so-called tilt technology, Amtrak hopes to chop as much as 90 minutes off its four-and-ahalf-hour Boston-New York service and up to half an hour off its current threehour Washington-New York service.

With trip times down to 2.5 to 3 hours, Tibetan people since they were 'liberated' in 1959 hy Chinese troops. The series hlamed Britain, the United States

Antitak is betting much of its future—and that of high-speed rail in the United States—on the premise that it can now

As added incentives, the fare will be about 30 percent less than the current \$199 walk-up air shuttle rate, and Jiang opened an exhibition to commem-orate "The 40th anniversary of the Amtrak will expand some of its current amenities. In addition to offering 30 business-class seats, the trains will have Chinese troops first invaded Tibet in audio eotertainment and power outlets at October 1950. For nine years, the governor seat, enclosed overhead bins, a dining car and full lavatories.

Amtrak views the Northeast Corridor as a model for other high-speed rail proposals in the Great Lakes region, along the Southeast and Gulf Coast and throughout California and the Pacific ernment imposed martial law oo a res-nive Lhasa. Two days later, Lhasa rose in Amtrak's New York headquarters before Northwest. The unveiling took place near a group of 1,000 company employees. Amtrak has not turned a profit since it

was founded in 1971. The General Accounting Office reported that the railroad lost an average of \$47 per passenger in fiscal 1997. In 1997, Congress said: Amtrak must become self-sufficient by 2002. It provided a \$2.2 billioo cash infusion and a steadily declining annual subsidy that ends in three years

Last year the railroad topped \$1 hillion & in revenue for the first time, propelled by the best ridership in a decade and its best. the time estimated that 50 Tibetans were on-time performance in 13 years. It views killed by police. Martial law lasted until high-speed rail as the final piece of its

Fishing Nations Promise to Cut Fleets posed guidelines for huying back li-

By John H. Cushman Jr. New York Times Service

Despite limits on how many fish can be caught, trimming the fleets is now seen as the key to beading industry specialists say.

But they acknowledge that the new effort, a nonhinding agreement sponsored by the United Nations, could take many years before having much effect on overfishing.

some of the world's waters will only be ruptcy of the fishing companies or the extinction of their quarry.

As things stand, government and private analysts said, the industry is

wasting tens of hillions of dollars each year trying to catch ever-scarcer fish. At a meeting in Rome in mid-Feb-

ruary, delegates from virtually every fishing nation agreed on a plan to reduce fishing capacity, starting within six years. To meet targets, many governments will probably have to pay owners to scuttle vessels, or the governments will have to reduce immense subsidies.

"The bottom line is that some folks are going to have to find a new joh," said David Schorr, a fisheries expert at the World Wildlife Fund, adding that poliocians would face some tough choices cod fishery in the Gulf of Maine was about who would be forced out of fishing

voluntary effort will work, fishery officials call the plan one of the most National Marine Fisheries Service pro-

significant to address the need to preserve fish stocks.

many commercial fishing stocks are being harvested to the verge of collapse, the world's seafaring nations have promised to make the first far-reaching cuts in their fishing fleets.

Description ION — Recognizing that pacify in the world's fleet is prohably the single greatest threat to the world's fish resources," said Terry Garcia, chief a American delegate to the negotiations. Within the next decade or so if the decade overcapacity, then the demand for wild fish stocks is going to exceed the sup-

> Some say this has already occurred. After decades of growth, the catch has of fishing capacity," said Dominique leveled off, suggesting that many fish Greboval, a fisheries planning manager leveled off, suggesting that many fish are being caught faster than they can

reproduce. The oew agreement calls for nations Without a solution, the question for to cap their fleets at existing levels and then scale them back progressively and

which would come first - the bank- to eliminate subsidies to companies that are deemed to overfish. Past efforts to control overfishing have focused on strictly regulating the

quantity of fish that can be legally caught, the size of fish that may be kept. the length of the fishing season and the type of equipment and nets used. But that approach, the nations agreed, is flawed, given the capacity of many fleets to catch more fish than permitted.

Increasingly, countries recognize that they must find ways to cut the industry's capacity. In 1997, fishing vessels at sea were estimated to have caught 95 million tons, the international food agency says.

Despite strict controls on fishing in recent years, New England fishery man-agers concluded in December that the collapsing. President Bill Clinton's add where.

Even without knowing whether the spending to take some of the region's boats out of service, and last month the to have the hardest time of all, because

UN Apology For a Rebuff

UNITED NATIONS, New York - The United Nations has apologized for preventing an ethnic Tibetan from addressing a panel on

women's health because of fears of

angering the Chinese delegation. Losang Rabgey, a native of canada, had been selected by a group of nongovernmental organizations to address the UN Commission on the Status of Women last Thursday. She was to have spokeo about violeoce against women in occupied lands. Ms. Rahgey rep-

resents a rights group called the Transnational Radical Party. Angela King, the UN special adviser on gender issues and advancement of women, apologized Mon-day. She said her staff "wrongly intervened" in preventing Ms. Rabgey from speaking at the pan-

Ms. King added that her division would welcome hearing Ms. Rabgey's statement.

The issue of Tibet is particularly sensitive at the UN, where China holds tremendous power and influence as a permanent member of the Security Council, the top UN decision-making body.

China, which took over Tibet in

plicit on controlling overcapacity. But 1950, and annexed it nine years things are that changing and downsizing later, has been sensiove about huthe industry is an enormous task," said Anne Platt McGinn, of the Worldwatch man rights ahuse complaints that it said interferes in its internal affairs. Institute, an environmental organization.
"Probably the European Union is going But there was no known protest from China's envoys to Ms. Rabgey's address. (Reuters, AP)

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TRAVEL UPDATE

Paris Mayor Pushes Seine Renewal PARIS (AP) - Mayor Jean Tiberi unveiled a plan Tuesday to broaden the access of Parisians to the Seine by 2001.

The most controversial aspect of the river renewal involves rerouting car traffic away from the Place de la Concorde - a key link between the left and right banks - and creating wide pedestrian walkways and grassy spots.
While many complain that the 150 million-franc (\$25) million) Concorde plan will simply snarl traffic elsewhere,

Mr. Tiberi insists the plan could result in cutting the number of motorists in central Paris by up to 10 percent.

Two plans are under consideration: One calls for eliminating about 80 percent of cars, the other 50 percent. A final decision is not expected until next year.

Pollock Show to Open at the Tate

LONDON (Reuters) - A major retrospective of Jackson Pollock's monumental paintings opens in London on Saturday, paying homage to one of the most influential artists of the 20th century.

The Tate Gallery will host the first retrospective of Mr.

Pollock's work in Britain for over 40 years, exhibiting more than 80 works of the American artist. His major paintings, depicting webs of interlacing lines, punctured with puddles and splatters of color, create images of intense richness borne in his unconscious, as Mr. Pollock once

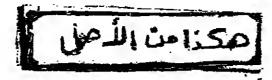
Mauritius braced for a cyclone Tuesday, with shops, offices, schools and businesses shutting after the state met-eorological service advised residents to stay at home. Winds are expected to reach 120 kilometers per hour. (Reuters)

WEATHER



Latin America

مكنامن الأصل



THE AMERICAS

Starr Office Comes Under Attack on Multiple Fronts

By Roberto Suro ashington Post Service

WASHINGTON — The Justice Department has asserted its power to investigate alleged misconduct by the independent counsel Kenneth Starr, while President Bill Clinton's former business parmer, Susan Mc-Dougal, has vowed an "all-out against the alleged excesses of Mr. Start's office as her latest trial

Less than a month after the Senate acquitted Mr. Clinton on perjury and obstruction of justice charges referred by Mr. Starr, the independent counsel finds himself under attack on multiple fronts.

The Justice Department has advised Mr. Starr of its intent to investigate his handling of the Monica Lewinsky matter, and, in papers filed Monday with the court that oversees independent counsels, the department argued the court has no power to block the disciplinary inquiry.

In his own filing, Mr. Starr urged partner in the ill-fated Whitewater the court not to beed a conservative real estate investment. legal group seeking an order to block the department from investigating him. But Mr. Starr left open the possibility of mounting his own challenge if the Justice Department decides to proceed with an ethics

investigation of his conduct. The department is weighing al- possibility of 10 years in prison. legations that Mr. Starr's prosecu-tors misled top officials when they sought approval to investigate the Lewinsky matter and violated department guidelines when they confronted Ms. Lewinsky without her lawyer last year.

Mrs. McDougal is seeking to raise similar claims of prosecutorial misconduct in her trial in Little Rock, Arkansas, where jury selection began Monday.

As she entered the courthouse,

Mrs. McDougal accused Mr. Starr's prosecutors of engaging in a 'perfy against Mr. Clinton, her former . Little Rock, told reporters Monday. prosecutorial misconduct."

months for civil contempt for re- to help him attack Mr. Clinton. fusing to answer questions about Mr. Clinton's involvement in Whitewater and now is being tried on criminal contempt and obstruc- caped Mr. Starr's wrath only by

"I fully intend to put Kenneth W. Starr on trial," said Mark Geragos. Mrs. McDougal's lawyer in the

The threat of turning the tables on rious last Friday when a U.S. District judge, George Howard Jr., ruled that he would consider allowing Mr. Geragos to present evidence vance by Mr. Clinton. of "prosecutorial misconduct or outrageous government conduct."

We're hoping the jury will try the case on legal issues, not ex-traneous matters. W. Hickman sonal vendenta" to force her to testi- Ewing Jr., Mr. Starr's deputy in

Mrs. McDougal has claimed that the independent counsel threatens brushed aside the allegations. "We

Mr. Geragos said that this pattern was evident in Mr. Starr's treatment of Ms. Lewinsky, who, he said, estion of justice charges that carry the agreeing to testify for him. Mr. Geragos has suggested he might subpoena Ms. Lewinsky to testify in the Little Rock trial.

The only figure indicted by Mr. Starr in the Lewinsky probe, Julie Hiatt Steele, is mounting a similar Mr. Starr became much more se- attack. Ms. Steele is accused of lying to the grand jury about whether her former friend, Kathleen Willey, told her of an alleged sexual ad-

> Ms. Steele's lawyer, Nancy Luque, has argued for dismissal of the indicament, saying in court papers that "it is irreversibly tainted by the ethical violations of the Office of Independent Counsel constituting

> was four years ago - low in the polls and overshadowed by more

glamorous candidates, this time Governor George Busb of Texas

and Mr. Dole's wife, Elizabeth Han-

He is not intimidated. "There are

a lot of people who talk about run-

already know. The race starts in Iowa. There are 2,500 meetings that

people to those meetings. I've got a

he is the one Republican candidate

also cut taxes, save Social Security,

who could improve schools while

On Tuesday, be promised to be a

leader "who respects the office and those who put him in office." The veiled rebuke of President Clinton

ford Dole.

year to do it."

Mr. Starr's prosecutors have Mrs. McDougal has served 18 and punishes witnesses who refuse know in any high-profile case, it is a normal thing where the prosecutor is attacked." Mr. Ewing said.

The Landmark Legal Foundation, a conservative advocacy group, had earlier asked the court to probibit the investigation of the independent counsel, arguing that such an inquiry would infringe on the independence that is the reason for appointing an outsider like Mr. Starr to examine allegations against a president.

Mr. Starr asked the judges to dispose of the matter simply by finding that the foundation lacks the legal

standing to enter into the matter. The Justice Department also asked the judges to reject the foundation's request, claiming that the law creating the independent counprocess and a Supreme Court ruling upholding it gives the judges limited roles that do not include interfering with an attorney general. investigating possible misconduct.

POLITICAL NOTES

Verdict by Lewinsky's Father: Clinton Totally Irresponsible'

WASHINGTON -- Monica Lewinsky's father accused President Bill Clioton oo Tuesday of being "totally irresponsible" for having an affair with his daughter and said that his actions caused "unconscionable" pain to his

"It takes two to tango." Bernard Lewinsky said.
"However, he was the president, he was over twice her age, just a few years younger than I am, and for him to get involved with someone like my daughter I consider totally irresponsible for him in his position and for him as

He appeared on NBC's "Today" show in his first television interview in a year. On the "Today" show in March 1998, Mr. Lewinsky said he did not want to know if his daughter bad an affair with the president and would not "invade ber privacy" by asking, adding "As far as I'm concerned it did not happen." He said Tuesday that when he finally learned the affair had occurred, his reaction was one of disgust.

Senators Probe Sweepstakes

WASHINGTON — The companies that mail sweepstakes contests to millions told disbelieving senators Tuesday that the vast majority of Americans understand they do not have to order anything to win.

Members of a Senate panel reacted to the testimony with anger, reading sweepstakes industry witnesses their own mailings with headlines such as "Open your door to \$31 million on Jan. 31" and "lt's down to a two-person race for \$11 million."

Representatives of Publishers Clearing House, Reader's Digest, American Family Enterprises and Time Inc. defended their practices, contending they had voluntarily changed their mailings and were making efforts to identify those who do not understand the rules.

Quote/Unquote

Norm Ornstein, a political scholar at the American Enterprise Institute, on the presidential aspirations of Elizabeth Dole: "Elizabeth Dole has helped change the perception of women. She's an experienced, competent woman who performs in the lion's den. Do I believe her running has caused a sea change in the culture? No, But it's another significant incremental change,"

Lamar Alexander, seeking the

Running for president is a grueling, costly, lonely, often bumiliating and sometimes exhilarating pro-

Mostly it is a mystery - a mys-

was coupled with a plea to Repubgets discouraged," said Tom Rath of New Hampshire, a member of the lican primary voters: 'Don't limit your options to Governor Bush and Republican National Committee and an adviser to Mr. Alexander. "But he's been through this. He saw this in '95."

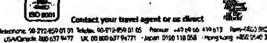


Republican nomination again.

tery of what propels people often against great odds to keep going. There are moments when he

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Away From Politics

 Ice and snow made driving hazardous and closed schools from the Great Lakes south to Georgia, and canceled flights stranded some air travelers. More than 12 inches (30 centimeters) of snow had fallen on Minnesota and Iowa.

• The last 12 members of a Pakistani cargo ship stranded for nearly a year since its owner went bankrupt were finally being brought ashore Tuesday at Port Isabel, Texas. Captain Magsood Ahmed and 11 crew members of the Delta Pride were rescued by new owners who plan to sell the ship for

 Barbie turned 40 Tuesday and shows no signs of slowing down. In addition to a 40th anniversary doll, Mattel Inc. plans to release a Butterfly Art Barbie, with a butterfly tattoo on her stomach, and Working Woman Barbie, who comes with a play laptop.

 NASA lost its struggle to save a malfunctioning \$80 millioo satellite after the errant spacecraft leaked so much coolant that it could not carry out its astrooomy mission, of-

Alexander Just Keeps on Running

By Dan Balz Washington Post Service

NASHVILLE, Tennessee -Four years ago, former Governor Powell that Clipton and Gore didn't Lamar Alexander of Tennessee out on a plaid shirt, declared his candidacy for president and was barely not the Republicans. So I think I did heard from again.

Or so it might bave seemed to

many Americans. these last few years, and that persuaded him to keep running.

As he sees it, he came within a

and would have made President Bill Clinton nervous at the prospect of a Clinton-Alexander match-up. This is how he explains it:

"I came within 3,800 votes of beating Bob Dole in New Hampshire," be said recently at his small Nashville office. "If I'd beateo him there, he would have dropped out. It would bave been Alexander vs. Buchanan, and I think I would have won that," He was referring to Pat

Buchanan, the television commentator who was also seeking the Republican comination. And, Mr. Alexander said, a

former Clinton strategist viewed

him as a serious challenger to the paign in virtually the same place he

"Dick Morris's book said I was the one Republican other than Colin want to run against," be said. "I persuaded the Democrats of that, but

On Tuesday, Mr. Alexander, 5g, ning for president," he said. "The officially started again, this time media gets interested in people they Mr. Alexander has a different without the trademark plaid shirt—view of what happened, one that has he were a suit and tie—but lacking buoyed him through moments of none of the determination that has night. Your goal is to get 35,000 discouragement and frustration made him a perpetual-motion machine in pursuit of the White House for the past six years.

the past six years.
"I can't worry about these other candidates," he added.
parents raising children," Mr.

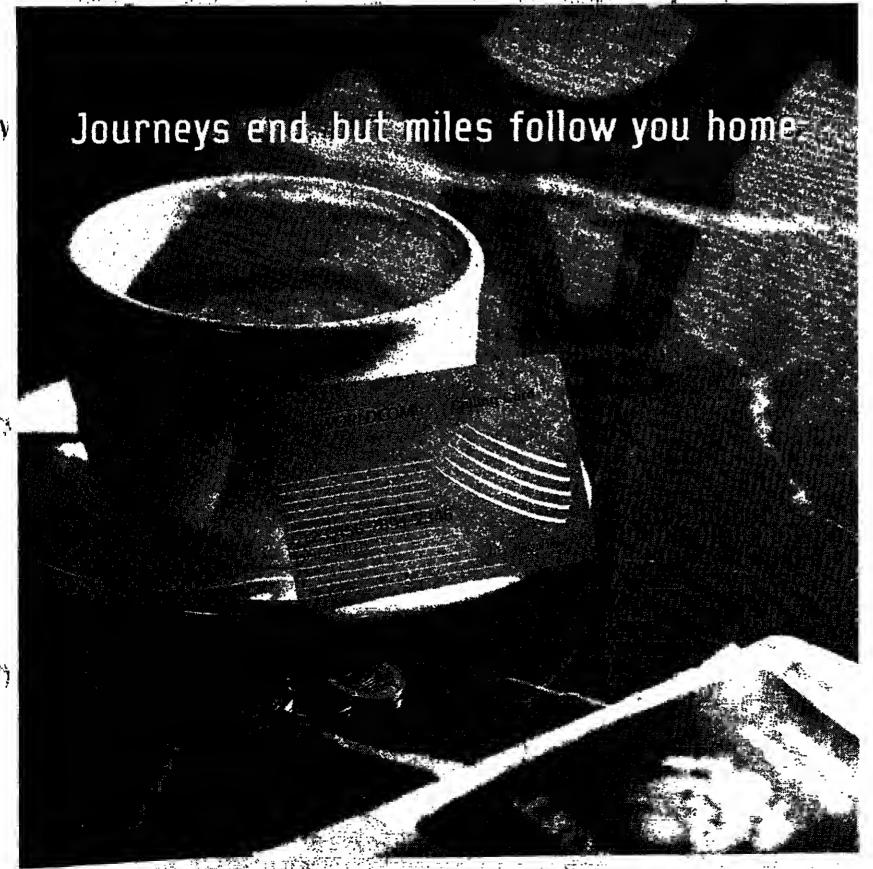
Mr. Alexander's message is that whisker of taking the nomination, of parents raising children," Mr. Alexander declared at the state cap-

> 'As president, I would lead a movement state by state to trans- bolster defense and restore fuster to form our public schools," he told a White House tarnished by the about 200 supporters. "Our schools sexual escapades of President Bill can be the best in the world. What is Clinton. missing is the political will to put practical reforms in place." Mr. Alexander has been a suc-

cessful and popular two-term gov-ernor from 1978 to 1987, a university president and education secretary in the Bush administration, and has the experience from baving been around the track once as a

presidential candidate. Yet, he begins his second cam-

Mrs. Dole." "This time the race is wide open," he said. "There is no one whose 'turn' it is.'



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China Case Shows U.S. Struggle to Balance High-Tech Trade and Security

By Michael Laris Washington Post Service

BEIJING - The American-made supercomputer that crowds Liu Zhi's office at the Institute of Geology is higger than a midsize van and cost more than \$300,000. It sits under a large hlue tarp, physolete and unused.

Last year, the institute bought a new computer made hy Sun Microsystems Inc., based in Paln Alto, California, that is 562 times faster, cost just \$20,000 and is the size of a desktop unit. Mr. Liu linked it to the Internet, and now scholars can perform complex calculations that were previnusiy unthinkahle.

The two computers, sitting in the same room at the institute, are monuments to the benefits that both China and U.S. high-tech companies have reaped from the brisk trade in American know-

The computers also underscore the complexities of a U.S. policy that, in fits and starts, has attempted to prevent China from acquiring advanced U.S. technology that can be used for

Computers like the Sun machine bought by the geology institute are powerful enough to be used in designing ouclear weapons, yet it is legal under U.S. law to sell them to China.

runs the institute's network, was once a com-munications officer in the Chinese Army — an illustration of the often hlurred lines between the

Chinese civilian and military sectors.

Mnreover, while the U.S. Commerce Department has the right to monitor the use of major U.S.-built computers in China, there is only one person assigned to the U.S. Embassy in Beijing to perform this enormous task. And if American computers are being used for il-legal purposes from a remote location, there is

mosi no way he can discover that. Receot disclusures of Chinese government efforts to buy dual-use technology from the United States and steal U.S. weapons secrets have sparked n passinnate, sometimes ugly, debate in

Washington and Beijing.
On one hand, U.S. businesses and a number of government officials worry that such revelations could disrupt one of the most successful sectors of the U.S. economy. On the other hand, some officials worry that sales of American highperformance computers to China and other countries could erode the ability of the U.S. military to

national environment, how do we strike the right balance between high-tech trade and national

U.S. computer companies do more than half their business overseas.

chaired by Representative Christopher Cox, Republican of California, has documented examples of illegal transfers of sophisticated U.S. equipment to China and of espionage by Chinese agents, Mr. Cox has called for tighter controls on satellite and missile technology, improved security at U.S. ouclear laboratories and greater restrictions on sales of high-speed computers to China.

But U.S. computer firm executives say exponeotial increases in computer performance have made the existing rules an unacceptable hurden. They warn that if current regulations are not loosened within the oext few months, 90 maintain its lead in high-tech weaponry.

"We have here the beginning of a debate we should have had a long time ago," said Bates percent of their ousmess in China, the world, would be affected adversely. More restrictions,

U.S. law currently requires American compa-nies to obtain permission from the government ecurity?"

before they can export computers that run at speeds above 2,000 MTOPS, or millions of theoretical operations per second, the industry speedometer. The rules are intended to pre-

vent fireign nuclear-weapons designers from acquiring powerful computers, and the United States applies them to 50 countries viewed as proliferation risks, including Russia and Israel. China is an important case because of the massive size of its market and U.S. concerns about China's rise on the world stage and its

military intentions. Over the past 13 months, the U.S. government received 512 requests to export high performance computers to China, 70 of which were denied, according to the Commerce Department. Several of the denials were reversed on appeal. The actual number of shipments to China was substantially lower because some deals fell through, bringing the total number of deliveries last year to 191.

The U.S. government has concentrated its efforts on controlling exports of the 500 fastest

Fears Mount In East Timor

Indonesian teachers crying as they listened to stories of

intimidation by

meeting at the

Timorese during a

Education Ministry

provincial capital.

teachers gathered to

demand relocation

from East Timor as

Dili. About 500

confrontations

between pro and

anti-independence

groups increased,

Indonesia's recent

province autonomy.

offer to grant the

prompted by

native East

office in the

Such a sale would be illegal if it were for Chinese military use. Mr. Liu, an engineer whn runs the institute's network, was once a communications reffer in the Chinese Assumptions of the control of the control of the enormous hureaucracy that would be institute's network, was once a communications reffer in the Chinese Assumptions of the Chinese Assumptions of the control of th hands, said William Reinsch, the U.S. undersecretary of commerce for export administration and an nutspoken advocate of increased high-

technology sales abroad.

"The problem is, No. 500 keeps going up in capability," Mr. Reinsch said, adding that the calculating speed of the slowest of the 500 faster. machines will nearly double this year from 11,000 to 20,000 MTOPS.

When the high end is going up that rapidly, you have to make adjustments to continue your ability to do that," he said. "Otherwise, what we are doing is controlling low-end PCs."

Indeed, by the end of the year, most personal

computers sold to China will have speeds above the government threshold and will require per-

mits, according to industry estimates.

U.S. computer companies do more than half their business overseas, and their officials argue that even if U.S. trade rules were tightened transshipments of U.S. products would still flow easily into China from traders around the globe. In addition, they say, there is no binding inforts on controlling exports of the 500 fastest
American-made computers — supercomputers
that cost tens of millions of dollars each. These

It addition, they say, there is no controlling international agreement to prevent other comprises from selling their powerful computers to China if the cost tens of millions of dollars each. These

Perry Canvasses Seoul On North Korea Policy

SEOUL - William Perry, the U.S. policy coordinator on North Korea, left South Korea oo Tuesday after agreeing with top Seoul officials that a "comprehensive approach" was needed in dealing with North Korea's nuclear and

He headed for Japan for further talks over how much leeway Washington and its regional allies should give Pyongyang if it rejects their campaign of peaceful engagement and resorts to pro-

But it was ont immediately known if Mr. Perry's visit to Seoul helped narrow a potentially divisive policy rift between the two allies oo how to handle the Stalinist state.

'There were no surprises," said a senior official, who requested anonymity, following a meeting between Mr. Perry and President Kim Dae Jung. "But it is unlikely that any of the

Minister Drafted Sex Crimes Letter, **Anwar Court Is Told**

KUALA LUMPUR - A former aide to Anwar Ibrahim said Tuesday that a Malaysian government minister had written a letter that accused the thenfinance minister of sex crimes and helped set the stage for his downfall.

Azmin Ali, Mr. Anwar's former private secretary, said his sister, Ummi Hafilda Ali, told him last year that Do-mestic Trade Minister Megat Junid Megat Ayob had written the letter in 1997 accusing Mr. Anwar of adultery and sodomy, a crime in Malaysia.
"Ummi told me that the letter was

drafted by Dato Megat Junid," Mr. Azmin told the capital's High Court. Mr. Azmin also told the court that his sister had been paid money to participate

in a conspiracy against Mr. Anwar. But a prosecutor attacked the credibility of the defense witness, saying that he had received part of his income di-

rectly from Mr. Anwar. The letter, at the heart of the trial, was signed by Miss Ummi and sent to Prime Minister Mahathir bin Mohamad in August 1997. One year later, Mr. Mahathir

dismissed his heir-apparent, triggering unprecedented anti-government protests. Mr. Azmin said he asked his sister last year why she had accused Mr. Anwar.
"At that point, Ummi answered that she was promised money and projects to

fabricate evidence," he said. The 1997 letter is crucial to government allegations that Mr. Anwar comaccuser to retract their allegations.

27 What boxer #2

36 Slice of history

37 "--- so right!

41 Dishonest sort

43 Actor Morales

44 Bloodhound's

38 "Li'l" guy

39 Othello's

differences in our policies on how to deal with North Korea were significantly

cleared," he added. He and other officials said that although Washington basically supported Seoul's drive to engage the North economically rather than to confront it, the twn differed on how to cope with its weapons threat.

He said the differences between the allies lay in where to draw a "red line" over which Pyongyang must oot step to avoid a confrontation that could force Seoul and Washington to abandon engagement in favor of tougher action.

Mr. Perry is on a regional tour for

By the end of the month, he is to recommend to President Bill Clintoo a hlueprint for future U.S. policy toward

North Korea. A South Korean government statement said that the two sides had agreed that a "comprehensive approach was needed to address those problems caused by North Korea's ouclear and

While it said such an approach would "be based oo South Korea's policy of engagement with North Korea," the statement did not specify whether the two sides backed President Kim's proposal for a "package deal" with Pyong-

■ Japan's First-Strike Right

Japan said Toesday that it has the right - at least theoretically - to carry out from Tokyo.

Akitaka Saiki, deputy press secretary for Prime Minister Keizo Obuchi, said, 'I think it was already clarified many years ago in Parliament that, theoretically, self-defense could include preemptive attacks oo the territory of a nation which is contemplating a military attack on Japan.

Mindful of potential missile threats from North Korea, the defense chief. Hosei Norota, told Parliameot last Wedoesday that Tokyo could launch preemptive strikes against missile-launch-

ing bases in other countries.

"It is legally possible for Japan to exercise the right for self-defense and attack bases of an enemy even when Japan has not yet suffered any realistic damage," he said.

Politicians and defense officials have been locked in heated debates on ways to defend Japan since North Korea launched a three-stage Taepo Dong rocket. The Angust test sent the rocket over Japan before it landed in the Pa-

A Chinese Foreign Ministry spokesman, Zhu Bangzao, said Monday that Japanese consideration of preemptive strikes "would only lead to oew conmitted sex crimes and that he directed the frontations and tensions in the region police to force Miss Ummi and another and be quite disturbing for Japan's



TIMOR: Australia Weighs Role

Continued from Page 1

ligation to help, however unstable and dangerous the situation may become," he said.

East Timorese independence leaders want Australia to do more to get the United Nations involved in the territory in place of the widely hated and feared indooesian military. Following a meeting in Canberra on Monday with Foreign Minister Alexander Downer, Jose Ramos-Horta, the East

preemptive strikes against countries that or reconciliation in the territory while Indooesia's shadowy pose a military threat, Reuters reported army intelligence network remained active there. Also backing this view, Amnesty International said in a report Tuesday that there had been an increase in the activities of pro-Indonesian paramilitary units in East Timor backed by the Indnoesian Army in recent months as tension grew-between

Timorese Nobel peace laureate, said there would be no peace

independence groups and those who favor Jakarta's rule. This followed a sudden move by President B.J. Habihie in January to end 23 years of resolute Indonesian opposition to independence when he offered East Timor the choice between

wide-ranging autooniny or separatioo from Indonesia. In a letter dated March 4 to Laurie Brereton, a foreign affairs spokesman for Australia's Labor opposition, Xanana Gusmao, an East Timorese independence leader who is playing an increasingly influential role in negotiations over the future of the territory even though he remains under house arrest in Jakarta, called for a UN "peace mission" to be sent to East

Timor immediately. He said that the mission should include police and a "small military cootingent," adding that it was needed urgently to encourage reconciliation talks between rival factions in the territory, create a cooducive climate for consultations on Indonesia's autonomy proposal, disarm combatants, and mon-

itor the withdrawal of the Indonesian military. But Australia remains wary of any talk of a UN peace-

keeping role in East Timor at this stage, although it supports an international civilian and police presence. After talks with Indonesian officials recently, Mr. Downer said he expressed the hope that any transition in East Timor

could avoid the need for UN or other peacekeeping forces. The responsibility for managing the transition process and maintaining order in East Timor lies with the parties involved. not with Australia or the international community," he said. "We have committed ourselves to assisting Indonesia and the East Timorese where possible, including through considering

future levels of development assistance.



A Timorese man demonstrating Tuesday in Jakarta.

First Charges Laid Against Khmer Chief

By Seth Mydans New York Times Service

BANGKOK — The Khmer Rouge commander Ta Mok will be charged under a 1994 law that bans membership in the brutal Communist group and may also face charges of genocide, a Cambodian prosecutor said Tuesday.

The prosecutor said Mr. Ta Mok, 72, who is implicated in the deaths of more than a million people when the Khmer Rouge held power from 1975 to 1979, had refused to answer questions until he is provided a law-

He was arrested Saturday and is the first Khmer Rouge leader to face legal proceedings.

Three other top figures have been allowed to "defect" to the gov-emment since mid-1996 and have been living freely in Cambodia along with scores of second-level

The charges against Mr. Ta Mok intensify the debate over the status of these other leaders, and Cambodian officials have made contradictory statements this week over whether

they too might face charges. The prosecutor, General Sao Sok, said Mr. Ta Mok would be tried in Cambodia but that it was unclear whether he would be tried by a civilian or military court.

A team of three international lawvers has recommended to the UN that as many as 20 to 30 Khmer Rouge figures face charges in an international court. Most prominent among them, along with Mr. Ta Mok, are leng Sary, who sur-rendered in 1996, and two who surrendered in December, Khien Samphan and Nuon Chea.

Prime Minister Hun Sen has appeared to leave his options open, both supporting an international tribunal and warning of its potentially destabilizing consequences.

In televised remarks Tuesday, he repeated an earlier assertion that he had given no guarantees of immunity to the surrenders or anyone else. "I could not even provide guarantees to my children and my wife that they are free from charges by the court," he said.

■ Stipulations on Aid

Resumption of U.S. aid to the Cambodian government could de-pend on whether Phnom Penh allows an international tribunal to prosecute Khmer Rouge leaders, The Associated Press reported Tuesday from Washington, quoting a senior Clinton administration official's testimony to lawmakers.

CROSSWORD

Earthly Delights' author 16 Got down 17 What boxer #1 48 Pipe joint 20 Got up 49 What boxer #2 21 More wily 22 Political grp. since 1854 23 Umbrella pert then had to do 52 Late Cabinet \$3 White House 25 Launch of 1986 Solution to Puzzle of March 9

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54 Draft org. 57 Schiller's 61 Swindler's es What the boxers and fans now do

65 Certain fur 70 Say --- (deny) 71 "--- No Angels" (Bogart 72 Studio stock 73 "Go ahead!

DOWN

1 Scroogeism 3 Kind of flute 4 Like some s Union in a 1955 6 Ringling 7 Wall

s Hostile to Machination 12 Forage holder 13 Start of a Web 18 Uplift 18 Writer Jong

24 Ringside responses

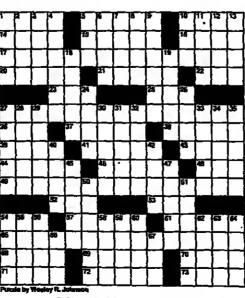
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es Play opener



O New York Times/Edited by Will Short:

Internet address: http://www.iht.com

China to Elevate Private Enterprise BEIJING - China's Parliament heard a proposal Tuesday to provide some protection for private enterprise in the na-

tion's constitution. The wording changes in the constitution, while they do not give citizens the right to own property, are nevertheless viewed by reformers here as a step in the right direction. Expected to be approved next week by the rubber-stamp

legislature, the amendments were written hy senior leaders of the Communist Party. An attempt to introduce the new language a year ago was scuttled, according to a source close to the legislature, because

of disagreements among senior leaders. Now, Article 1 l of the constitution will state that the private sector is "an important component of China's socialist market economy" rather than "a complement to the socialist public

A number of liberal officials and scholars argue that, while the constitutional changes are modest, they are an important symbol. "The main point is the door is open," said a proreform official. "It will open wider."

HONG KONG — Juscice Secretary Elsie Leung faces a no-confidence motioo Wednesday in the legislature here over her handling of issues impinging on Hong Kong's judicial in-dependence. The debate will mark the first time a top government official has faced a censure motion since Britain returned Hong Kong to China in July 1997.

Mrs. Leung's fairness has been called into question by legislators in recent months. Lee Cheuk-yan, of the Frontier political group, said: "We feel Mrs. Lenog seems to pander to the mainland authorities."

BRIEFLY

The government of Tung Chee-hwa rallied behind Mrs. Lenng on Tuesday. Stephen Lam, a spokesman for Mr. Tung, said: "The Hong Kong government continues to have confidence in the acceptant for instinct." fidence in the secretary for justice."

The censure motion will not cause Mrs. Leung's dismissal because the legislature is not empowered to dismiss senior government officials, who are appointed by Beijing on the recommendation of Mr. Tung. But it would, if passed, be widely seen as a slap at the government.

Japan Drops Fingerprinting Law

TOKYO — The Japanese cabinet approved on Tuesday a hill to scrap a 47-year-old law requiring most foreign residents to register their fingerprints with the government.

The new measure, which will now go to Parliament for approval, would require nonpermanent foreign residents over 6 and staying a year or more in Japan to register only a photo and signature with the governmen

The law was amended in 1992 to no longer require the fingerprinting of permanent residents, who oumber about 625,000, 80 percent of whom are Korean. Hong Kong Official Faces Censure

The fingerprinting of residents has faced opposition from some foreigners, who argue that the procedure is demeaning and is similar to the booking of criminal suspects.

(AP)

Shots Disperse Indonesian Rioters

JAKARTA — Security personnel fired warning shots Tuesday to disperse groups of Muslims and Christians who were throwing stones at each other on the eastern Indonesian island of Ambon, the military and witnesses said. An officer at the local military station said there were no reports of casualties in the clash in Air Salobar, a western neighborhood of Ambon city.

تعكذامن الأصل

d Security



INTERNATIONAL

In Honduras, **Clinton Lauds New Role for U.S.** Military

Compiled by Our Staff From Despute.

SOTO CANO AIR BASE, Honduras - President Bill Clinton visited a military base Tuesday that was once used as a staging area for U.S. operations against the leftist insurgency in Central America and is now used to help rebuild the region after a devastating hurricane that struck the regioo last fall.

The president was on the second day of a four-day goodwill tour of the Central America nations hardest hit by the hurricane designated Mitch: Nicaragua, El Salvador, Honduras and Guatemala. Hoping to shut the door on the dark side of U.S. military involvement in the

region, Mr. Clinton saluted a new Central America and the new relief role for U.S. troops here. He drew whoops of delight from many of the 520 U.S. military and civilian personnel at the base when he said, "You have shown the people of Central America the true colors of our men and women in uniform."

The U.S. military established a semipermaneot military presence in 1984 at Soto Cano Air Base during the civil wars that raged in Central America in the 1980s. In the aftermath of the hurricane last year, it has been used as a staging ground for the U.S. military to save lives

as part of Joint Task Force Bravo. Later Tuesday, Mr. Clinton visited the reconstruction site of the Juan Molina bridge, which spans the Choluteca River and links the Honduran capital, Tegucigalpa, with its sister city, Comayaguela. It was swept away when the hurricane mared through last fall

It was swept away when the hurricane roared through last fall.

Emphasizing the posiove oo his fourday tour, Mr. Clintoo outlined a stopgap \$25 million in U.S. aid to Hooduras—the worst hit by last fall's storm—and made a detailed argument for the \$956 millioo aid package being held up in Congress. Republicans are demanding that Mr. Clinton offset the reconstruction aid through reductions in food tion aid through reductions in food stamps and welfare assistance.

"Thelieve the United States snown to more" to belp its oeighbors, President Clinton said. "What happens to one in the Americas affects us all. It reminds us improper cootact with foreign officials, and be had violated a oumber of security 'I believe the United States should do once again that in good times and bad, todos somos Americanos"— "we are all Americans.'

Mr. Clinton also said that work remained to undo the legacy of the 1980s, when the United States was perceived here as meddlesome — or worse.

"In times past, there was conflict, turbulence and distrust," he told Nicaraguans on Monday near the town of Posoltega, devastated by mud slides in the hurricane. "But now we are bound together in our common commitment to

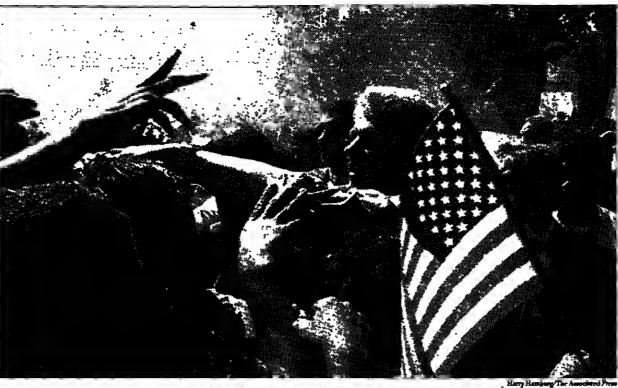
On immigratioo, Mr. Clinton promised to seek "a fair solution" to problems exacerbated by the natural disaster. A temporary halt in deportance of Guatemalans and Salvadorans in the Guatemalans and Salvadorans in the Thirty States Issued Monday.

Continued from Page 1

Been slow. So did the State Department's report on human rights practices in 1998, which was published last in the National Council of Resistance of month. "Systematic abuses included extra-judicial killings and summary extra-jud United States lapsed Monday.

Doris Meissner, director of the U.S. month when moderate candidates won Immigratioo and Naturalization Service, said that deportations had oot yet resumed but indicated that they would begin again toward the end of next week.

Mr. Clinton said resumption of deportations "shouldn't affect too many people in the early going" and ques-tioned whether he had any legal au-



President Clinton greeting a crowd after speaking at a high school in Posoltega, Nicaragua.

Reviers

ANKARA — U.S. aircraft bombed fraqi air defense sites in the northern oo-flight zone on Tuesday after being tracked by Iraqi radar, officials at the jets' base in southern Turkey reported.

A spokesman said that F-15E fighter-bombers 'acting in self-defense' large i er-bombers "acting in self-defense" had hit several anti-aircraft sites west

Such strikes have become regular since Iraq decided in December to op-pose U.S. and British jets patrolling the no-flight zones in the oorth and south of the country.

12:35 P.M. and 1 P.M.
All the U.S. aircraft safely left north-

facility for a pipeline carrying crude oil from Iraq to the Turkish Mediterranean port of Ceyhan. Pumping of oil has

zones have done more damage to the Iraqi defenses than the recent four days of intense attacks in the campaign

South Africa Party Seeks Peace Talks After Slayings

By Donald G. McNeil Jr.

New York Times Service

CAPE TOWN - Five local officials of the new United Democratic Movement political party have been killed in this area since Sunday, raising fears Tuesday that the political violence that swept the country before the 1994 elections may be repeated.

The head of the movement, Bantu

Holomisa, is flying here Wednesday and

asking for a peace conference of leaders of all political parties to defuse the situation before it gets worse.

The killings came six weeks after the movement's third-most prominent official, Sifiso Nkabinde, was slain in KwaZulo-Natal Province and a spate of revenge killings followed. Mr. Holomisa also flow there to call for peace also flew there to call for peace.

Althoogh oeither side admits it, this is assumed to be a war between the moveassumed to be a war between the move-ment and the ruling African National Congress. A spokesman for the local branch of the African National Congress said the party had "oo objection in prin-ciple" to a Cape Town peace conference but said there might be difficulties con-vening one quickly.

He played down the notion of a countrywide war between the two parties, saying some of those killed also were involved in a local dispute over plans to seize some vacant land for housing.

After Mr. Nkabinde's assassination African National Congress officials also suggested many nonpolitical reasons why be might have been killed, including his involvement in the local taxi inclustry.

Between 1990 and the 1994 elections, thousands of people died, most of them in KwaZulo-Natal and the Johannesburg area, in warfare between the African National Congress and the Zulu nation-

difficult to get an arrest without "catch-

ing someone in the act," a former senior

alist Inkatha Freedom Party, which gor covert help from the South African police. In the past two years, the two parties had made some headway toward resolving their differences, but in recent weeks

both sides have again accused each other of fomenting violence.

Bad blood had developed rapidly with the United Democratic Movement, which was founded last year jointly by Mr. Holomisa, who was ejected from the African National Congress for accusing party leaders of accepting bribes, and by Roelf Meyer, heir-apparent of the National Party who was ousted in an internal power struggle.

BRIEFLY

Argentines Saluted By Prince Charles

BUENOS AIRES — Prince Charles paid homage Tuesday to Argentine troops who died in the 1982 Falklands War and shook hands with survivors, who asked him to help them visit Argentine war graves on the dispoted islands. The heir to the British throne laid a wreath at the monument to Argentina's 652 war dead in central Buenos Aires, echoing a similar gesture of reconciliation by President Carlos Saul Menem at St. Paul's Cathedral in Londoo last year.

The prince began his three-day visit to Argentina, to be followed by stops in Urugoay and the Falklands,

stops in Urugoay and the Falklands, with a speech in which he expressed hope that his visit woold "help at least in a modest way" to bring

Viagra Approved For Use in Canada

TORONTO — Nearly a year after Viagra was authorized for use in the United States, Canadian health officials have approved the anti-impotence drug, its manufac-turer said Tuesday.

"Today's the day," said Don Sancton, a spokesman for Pfizer Canada, referring to the long-awaited go-ahead from the federal Health Department.

Since Pfizer Inc. introduced Viagra in the United States in March 1998, more than 50 countries have approved its use.

In Canada, bowever, the Health Department review moved slowly, prompting thousands of men to purchase Viagra over the Internet or to drive across the border to get it at U.S. pharmacies.

Ethiopia Preparing Attack, Eritrea Says

ADDIS ABABA, Ethiopia -Ethiopia and Eritrea escalated their war of words Tuesday, with Asmara warning that Addis Ababa was preparing new offensives, but the 1,000-kilometer border was reportedly quiet for the second day

In Addis Ababa, Prime Minister Meles Zenawi of Ethiopia told African diplomats that Eritrean troops were "reinforcing their trenches and mobilizing additional troops" in cootested areas.

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In Asmara, Yemane Ghebremeskel, the presidential chief of staff, said that "everything indicates Ethiopia is preparing an at-

Balloon Expected To Reach China

GENEVA - Balloonists aiming to be the first to circle the world nonstop crossed India oo Tuesday, the Geneva control center said.

By early afternoon Indian time (0900 GMT) the Swiss pilot, Bertrand Piccard, and his British teammate, Brian Jones, were just south of the eastern Indian town of

Varanasi, a spokeswoman said. Their Breitling Orbiter-3 will enter China's airspace early Wednesday, the 10th day of their journey, south of 26 degrees north lat-itude, the center said. That would put it within the zone approved by

Over India the crew was out of contact with Geneva for long periods because of problems with satellite communications, said Alan Noble, a flight director.

U.S. Jets, Under Threat, Hit Several Iraqi Sites

and south of the city of Mosul.

ern Iraqi skies, the spokesman said. Similar strikes last week damaged a

The U.S. government says two months of retaliatory strikes in the

SECRETS: Chinese-American Weapons Designer Is Fired in Espionage Investigation

ment," the report said.

While Mr. Khatami had lunch at the abroad, as well as public executions and

presidential palace, a few kilometers stonings. "A moderate would not have away, more than 3,000 Iranian dissiallowed this to happen," he said. He

Continued from Page 1

has moved vigorously and "the problem has been corrected.

The official reason for terminating

Other sources said that these facts had been developed during the FBI inves-ogation, but that inquiry had not turned

control of local councils in the country's

But nationally, conservative clerics still cootrol dominate major institutions.

and ultimate authority lies with the coun-

try's top religious leader, Ayatollah Ali

first municipal elections since 1979.

owo, Mr. Richardsoo agreed, adding, partner and strategic player in Asia. They could bave gotten it from Russia, or they could have had some assistance from these potential thefts."

Complaints in Congress — from the Senate majority leader, Trent Lott, Republican of Mississippi, and Senator Richard Shelby, Republican of Alabama and chairman of the Select Committee on Intelligence, among others — have added fuel to a debate over whether the Clinton administration was lax on carrying out

IRAN: Khatami Seeks to End Isolation From '79 Embassy Takeover

use of torture, and other degrading treat-

deots and some Italian opposition fig-

ures held a demonstration to protest his

visit. In Amsterdam, seven Iranians op-

posed to the Khatami regime briefly

Parliament. He received a boost this ecutions, disappearances, widespread

Mr. Lee has been under FBI investigation since late 1997, according to administration sources, but the inquiry has been unable to develop specific evidence against him because the alleged espiooage took place almost 10 years ago. In addition, investigators could oot find indications of any activity by Mr. Lee on behalf of the Chinese in the

intervening decade. While under FBI investigation, Mr. ogation, but that inquiry had not turned up evidence to support the espionage allegations against Mr. Lee.

Asked whether China could have developed the miniature warheads on its authinistration was lab on tearlying out new security regulations to prevent Lee was allowed to remain at his classified job, but under surveillance. The and advanced U.S. technology with possible military uses. The administration investigation, frequently has proceeded this way in espionage cases, since it is

said: "Khatami is oot a moderate, even if he said he is." He cited numerous

accused the Italian government of court-ing Mr. Khatami for its own economic

ends. "They should call a spade a spade

and say they want to deal with this regime because they want oil."

agent said Mooday. Four weeks ago, investigators concluded Mr. Lee was not going to co-operate and his access to classified information was removed. Last weekend,

he was questioned directly by FBI agents and "continued to insist he had done nothing wrong," a source said.

Because Mr. Lee was a cootract em-

ployee of the University of California, which runs Los Alamos for the government, Mr. Richardson had to recommend his removal to the university, which immediately carried it out, sources said.

Mr. Richardsoo said that the Lee case, along with two others going back to the Reagan years, represents "serious leaks of information," but the energy sec-retary added, "We still don't know the extent."

Continuing to Pursue China

Mr. Gore was the highest-ranking U.S. official to comment oo the allegations since they were disclosed by The New York Times oo Saturday, Reuters

assassinations of Iranian dissidents reported.

Mr. Gore sought to deflect criticism from the Clintoo administration in an interview broadcast Tuesday evening on

> He also said the United States would continue to pursue a relationship with China aimed at encouraging further steps toward democracy.

tioned wbether he had any legal au-thority to extend the halt. (AP, Reuters) Human rights organizations say that posed to the Khatami regime even under Mr. Khatami, progress has occupied the Italian Consulate.

Continued from Page 1

sell for only \$6 billion to \$7 billion. RJR Nabisco said it felt it coold oot

angered investors, and the corporate makes for an annual payout of more than raider Carl Icahn has twice amassed 7 perceot oo RJR Nabisco's stock, while

the company to separate its businesses

this year, following attempts in 1995 and

1996 in gain cootrol and split the op-RJR Nabisco and other tobacco companies settled health-related disputes with 46 U.S. states and five territories in November by agreeing to pay \$206 billion over 25 years. In exchange, the states and territories agreed not to sue them for the costs of Medicaid treatthem for the costs of Medicaid treat-ments of sick smokers. The other four lion of the international unit's obligstates had separate agreements with the

industry worth \$40 million. The tepid market reaction probably reflected fears of further legal problems, according in David Dreman, an author and asset manager who holds several million shares in the company and said he was encouraged by the announce-

meot on Tuesday.

But Mr. Dreman said that the states might want access to the food company's assets as well as those of the tobacco concern to make sure it met its obligations under the settlemeots. He added that if individuals were to succeed in suits, they might also challenge the sooo as possible to allow time to divestitures. In the past, RJR Nabisco wring a deal out of Belgrade," an has cited the issue as one reason for not official said. has cited the issue as one reason for not separating the food and tobacco oper-ations, but Carol Makovich, a company spokeswoman, said the deal was struc-

tured to prevent such legal objections. That structure will result in shares of the domestic tobacco unit, R.J. Reynolds Tobacco Co., being handed to current shareholders of RJR Nabisco. The parent company sold 19.5 percent of the food operations as Nabisco Holdings Corp., to the public in 1995. The food company will continue to trade separately from RJR Nabisco, which Ms. troops to oversee the disarmament Makovich said would exist only to own of the Kosovo Liberatioo Army's dependence for Kosovo has been cusing them of marder, kidnapping ing civilians as well as guerrillas

would insulate Nabisco Holdings from any suits, leaving only the shareholders of RJR Nabisco vulnerable.

Although the company did oot reveal provide sufficient resources to develop the international unit, which was hard hit by the crisis in Russia, which had been its biggest market.

RJR Nabisco's weak stock price has RJR Nabisco's weak stock price has stakes in the company. He was expected the food company's dividend is only to try to get shareholders to vote to force about 1.5 perceot. Ms. Makovicb said the company chairman, Steveo Gold-stooe, had pledged the tobacco com-pany's dividend would be "competit-ive" with other payouts in the industry. Mr. Dreman said RJR Nabisco stock also is attractive because RJ. Reynolds

Tobacco will have only \$1 billioo worth of debt. Ms. Makovich said about \$5.5 billioo of current debt would be paid down with the \$8 billioo from Japan ations. The remainder will be applied to RJR Nabisco's borrowings, which will fall to \$9 billioo, a far cry from the \$29 billion of debt the company was saddled with after the KKR takeover.

Mr. Dreman said that after the spin-



Masaru Mizuno, Japan Tobacco chief, announcing the deal Tuesday.

timated that the current value of the Nabisco Holdings stock beld by RJR Nabisco was rooghly equivalent to the current market price for the parent's stock, meaning the spin-off would give off, the tobacco company would be sim-ilar to an attractive junk bond. He es-

SONY: Not Just the Box But the Pipeline

Continued from Page 1

In other words, the company intends to supply oot only the computers and television sets through which people will gain access to its movies and music but also the pipeline. The move would put Sooy in competition with powerful companies such as Cisco Systems and

Lucent Technologies.

Mr. Idei said Sony would invest aggressively over the next three years in research and development, equipment, plants and building the infrastructure oecessary to provide services for what he called a "oetwork-centric" world.

Analysts and investors have been expecting Sony to take off in a new direction as its bread-and-butter consumer electronics business has increasingly slipped into the red. The company's shares jumped 8.9 percent Tuesday, to 10,940 yen (\$98.97).

The one area of Sooy's business that was left standing outside the sweeping new plan was its American movie and music businesses. Mr. Idei said that Sooy had not yet decided what to do with erations to enhance their profitability." them but that it was mulling over the future direction of the entertainment

business. Sony, famous for its Walkman tape recorders and Trinitron TVs, wants the

next generation of consumers to know it as a highly skilled digital networking company that sells them hardware, software and access to a road between the two. "In the past three years, we have made a lot of effort to move from being a 'box' company to becoming an infor-mation technology company," Mr. Idei said in an interview. "I think we've had

a fair amount of success." Indeed, Sooy's Vaio laptop computers are winning accolades and a cutting-edge computer chip it unveiled last week as part of its preview of the next generation PlayStation game machine is the talk of the town. Ken Kutaragi, president of Sooy Computer Entertainment, the subsidiary responsible for PlayStation, described the new chip as a "tech-

nology driver" for Sony. · Sony's new strategy takes it into uncharted territory. Analysts regard its semiconductor manufacturing capabilities as still unproven, and the networking business is growing more competitive by the day as technology manufacturers seek to find value-added op-

Mr. Idea conceded that the plans which will require significant invest-ment in research and development, have negative implications for at least short-term profitability.

NATO: Holbrooke in Belgrade to Persuade Milosevic to Accept Peacekeepers Kosovo as part of Yugoslavia. Continued from Page 1 nic Albanians to embrace the peace and police personnel, Reuters re-Western governments have also plan Western officials are encourged by signs that the Albanians e ready to sign, but they said it three of the five rebel group memstarted talking with Moscow about a role for Russian troops. aged by signs that the Albanians

Mr. Milosevic's major objection the peace plan involves a NATO-led peacekeeping force that is supposed in oversee implementation of the shift to local self-government for the ethnic Albanian majority over the cext three

To induce Belgrade to accept foreign troops in the disputed Ser-bian province, Mr. Holbrooke will insist on a provision for NATO

Belgrade has asked for changes in the proposed formula for autonomy in Kosovo, including procourts and oot in new courts to be run by ethnic Albanians.

The Serbs want the plan to drop words like "constitution" and "president" in describing the oew system of government because they might imply a status of Kosovo independence. The uncertainty of eventual in-

are ready to sign, but they said it would not be sufficient if the assent meant showing a positive reaction visions for Serbs who live in to the plan, but with conditions Kosovo to be tried in Serbian attached — such as statements that to the plan, but with conditions the Albanians expected a referen-dum on independence after the three years of autonomy under Ser-

bia stipulated in the peace plan. ■ Serbs Seek to Arrest 8

the remaining stake. That probably guerrillas and preserve the status of the basis of reluctance among eth- and attacks on Belgrade's military from the area.

ported from Beigrade, quoting the bers in the 16-member ethnic Al-

banian delegation to the peace talks

outside Paris last month. They were Jakup Krasniqi, the Kosovo Liberation Army's official spokesman; Rame Buja, a member of the rebels' political team, and Hashim Thaqi, who emerged as effective head of the rebels' del-

egation in France. Serbia issued warrants on Tuesday for the arrest of eight leaders of troops shelled villages in hills the Kosovo Liberatioo Army, action of Pristina on Tuesday, driv-



General Klaus Naumann of Germany, left, greeting General Santiago Valderas of Spain in Brussels on Tuesday at a review of policies on Kosovo and Bosnia.

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EUROPE

Suspected ETA Military Leader and 5 Others Arrested in Paris

مكنامن الأمل

PARIS — The suspected military leader of the Basque separatist group ETA, Javier Arizeuren Ruiz, one of Spain's Paris to meet his counterpart, Lionel most wanted men, was arrested Tuesday Jospin, and President Jacques Chirac.

separate operations.

Four, including Mr. Arizeuren Ruiz, were arrested early Tuesday at a hotel. The comed the arrests, which followed the two others were seized at an apartment

used hy the group as a logistics base. were fired during the arrests, a source Basque Homeland and Liberty in the said, adding that the group had been un- Basque language.

der surveillance for several months.

The operation took place as Spain's prime minister, Jose Maria Aznar, was in

Mr. Arizeuren Rniz, also known as Mr. Kantauri, was arrested along with five other suspected ETA agents.

During a meeting with Mr. Jospin, Mr. Aznar thanked the French government and said the arrests resulted from "very other suspected ETA members in two fruitful cooperation" between Paris and Madrid.

Spanish officials in Madrid also weldetention earlier this week in the Basque region of two journalists accused of col-All six suspects were armed. No shots laborating with ETA — an acronym for

against ETA since the Basque group declared a cease-fire in mid-September.

Spanish police believe that Mr. Ardeadly commando units and was the mastermind behind a failed assassination attempt against King Juan Carlos in 1995. Spanish anti-terrorist police sources said be had been on active ETA military

service since the early 1980s.
In Madrid, a Spanish Interior Ministry spokesman said the arrests were the result of a joint French-Spanish police oper-

ation that began several months before ETA declared its truce. Spain "cannot lower its guard just

which is not definitive." the spokesman Armed and extremely dangerous."

The Spanish authorities have long beizceuren Ruiz, 38, was in charge of ETA's lieved ETA's leadership was hiding across the border in France.

The Basque region, which is mainly in Spain but straddles the border with southwestern France, is home to more than 1.25 million Basques.

The Vasco Press agency, meanwhile, named two of the arrested suspects as Jarrai Mikel Zuhimendi, a former parliamentarian of ETA's political wing Herri Batasuna, and Irantzu Gallastegui Sodupe, an ETA activist.

Miss Gallastegui Sodupe's portrait is terrorist organization. (AFP, Renters) the ETA, Javier Arizeuren Ruiz-

It was the biggest police operation because ETA is observing a cease-fire seen at airports under the slogan "Wanted:

She is believed to be behind attacks on members of the security forces and a leading member of the group that kidnapped and killed a municipal councilor.

Miguel Angel Blanco, 29, in Ermua, a small town in Vizcaya Province,
Mr. Blanco's murder in July 1997 caused a storm of protest and unprecedenied mass demonstrations against ETA across Spain.

ETA has waged a 30-year separatist campaign in which nearly 1,000 people have died. Despite the truce, the Spanish government continues to consider ETA a The suspected military leader of



BRIEFLY

SARAJEVO, Bosnia-Herzegovina ----The Bosnian Serbs' careraker prime' minister, Milorad Dodik, who last week

said he would step down over a ruling on

a disputed town, has told Western of-

ficials he was prepared to remain in-

A senior North Atlantic Treaty Or-

ganization official said in London on

Tuesday that the Westem-backed politi~

cian was "prepared to return and resume" responsibility, but not tomorrow.

'He has to let things cool off," the

In Sarajevo, a spokesman for the in-

ternational peace coordinator Carlos

Westendorp said that Mr. Dodik had

indicated that he was willing to recon-

sider, Mr. Dodik said Friday that he was-

quitting because he could not go along

with the decision to turn the town of

Breko, which had been under Serbian

Mr. Westendorp on Friday fired the

president of the Bosnian Serb republic.

Nikola Poplasen, for violating the

EU Sees No Conflict

In Aide's Political Bid

BRUSSELS - A bid by the European

commissioner Emma Bonino to become

Italy's next president does not violate

newly-approved restrictions on political.

activities by the European Union ex-

Petrucci, the spokesman for Miss

Bonino, a member of the EU executive:

"There is no conflict," said Pietro-

ecutive, EU officials said Tucsday.

jurisdiction, into a neutral district.

Dayton peace accords.

Bosnian Serb Says

He Will Keep Post

office once Serhian anger cools.

Labour Budget Cuts Taxes To 10% for Lowest-Paid

By Tom Buerkle International Herald Tribune

LONDON — The Labour government of Prime Minister Tony Blair introduced a hudget Tuesday that comhined tax cuts for the lowest-paid workers with fiscal incentives to encourage employee share ownership and share

options for entrepreneurs. The government also reaffirmed its forecast that the economy would grow by 1 percent to 1.5 percent this year. slightly more than most private-sector economists expect, while inflation remains under control.

Gordon Brown, the chancellor of the Exchequer, said that the tax cuts and recent sharp reductions in interest rates would fuel the growth.

The budget, the most significant policy statement of the British political calendar, represented the government's clearest attempt to marry the traditional socialist values of the old Labour Party with the market-oriented approach adopted by Mr. Blair in refashioning his party as New Labour.

The measures will encourage "a dynamic Britain of enterprise and fairfostering both the creation of wealth and its more even distribution, Mr. Brown told the House of Commons, where he presented the budget.

long-term interest rates in financial markets Tuesday. The tax cuts, along with spending increases on education and health, will amount to about £6 billion (\$9.6 billion) over the next three years.

Kevin Gardiner, an economist at Morgan Stanley Dean Witter, said this figure was higher than financial analysts had been expecting and could limit the pros-

Austrian Bank Agrees to Settle product, low by European standards out higher than U.S. and Japanese levels. But government officials bope the tax bears. The **Holocaust Case**

By Henry Weinstein

pay \$40 million, and provide reams of documeous to settle a major class-action lawsuit that charged the bank with aiding the Nazi war machine and profiting hy selling Jewish assets during World War

While the settlement Mouday is not nearly as hig as the \$1.25 billion settlement Holocaust survivors reached with Swiss banks, the agreement is considered significant according to attorneys and Jewish leaders because the documents will give them considerable ammunition in major cases pending against German banks.

Creditanstalt-Bankverein, and its par-ent company, Bank Austria AG, of Vienna, were sued in the same cases as two leading German banks, Frankfurt-based Deutsche Bank AG and Dresdner Bank

AG in New York last year.

A unique aspect of the settlement is that it gives the plaintiffs the right to any claims that the Austrian bank might have against the German banks for assets that were forcibly transferred to the German hanks after Germany annexed Austria in March 1938. Deutsche Bank formally took control of Creditanstalt after the

The significance of the settlement is "The significance of the settlement is not in the amount being paid hut to the documents being produced and the claims being assigned," said attorney Robert Swift of Philadelphia, one of the lead lawyers for the plaintiffs. "This settlement will lead to far larger compensation for Holocaust survivors," Mr. Swift added.

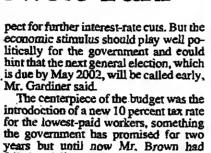
Rahhi Marvin Hier, dean of the Simon Wiesenthal Center in Los Angeles, said he had not seen the settlement. But he said thus far the Austrian government had escaped the sort of responsibility that had been imposed on other countries for collaborating with the Nazi regime. Charles Moerdler, a New York attorney who was the lead lawyer for the Austrian banks, declined to return calls

seeking comment. The settlement specifically provides that the Austrian banks admit no liability

by signing the senlement. The 37-page settlement resolves three cases filed in the past year against Creditanstalt and Bank Austria.

The suits alleged that the bank aggressively took part in a scheme to profit from the inhumane slave labor inflicted hy the Nazi regime and its allies. The plaintiffs also asserted that the bank oblained, concealed and profited from assets looted or "Aryanized" hy the Nazi

Within months after the suits were filed. Austrian officials indicated that they wanted to expeditiously resolve the



failed to deliver. Critics have derided the new rate as a gimmick that would be more complicated to administer than simply raising the threshold for paying income tax. which currently starts at £4,195 a year for a single person. But government officials bave made it clear they regard the rate as a symbol of their commitment to helping the poor and ensuring that work

is more rewarding than welfare. The new rate coincides with the introduction this year of Britain's first minimum wage, of £3.60 an bour, and a working families tax credit that links welfare benefits with the tax system to arantee a minimum income for a family of four of £200 a week.

The lower tax rate will be paid for by abolishing tax deductions on mortgage interest payments and reducing other tax breaks geared mainly toward the middle and upper classes. The measures con-The announcement triggered a rise in tinue a modest shift of the tax burden, since Mr. Blair's government came to power two years ago, to the wealthiest 50 percent of Britons, with the poorest 30 percent reaping the benefit.

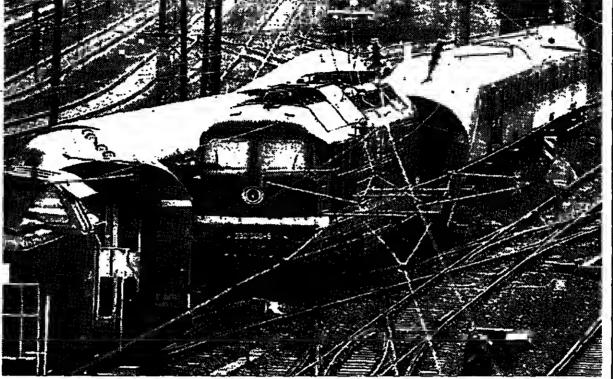
The opposition Conservative Party has attempted to seize on that shift to claim that Labour was reverting to its high tax policies of the past. William Hague, the Conservative leader, forced Mr. Blair to acknowledge last week that the overall tax burden would rise modestly during the government's four- to five-year lifetime. Taxes currently take here in the past year. in around 37 percent of gross domestic

measures will foster the kind of dynamics seen recently in the United States by expanding the labor market, containing upward pressure on wage inflation and contributing to sustainable economic growth. David Hillier, the chief U.K. A large Austrian bank has agreed to economist at Barclays Capital, the investment banking arm of Barclays Bank PLC, said: "They will prove some of the clons of government and finance were most important changes in the labor market in some time."

The government also maintains that Mr. Brown's approach of keeping fiscal policy tight by aiming for a balanced budget over an economic cycle holds the key to long-term growth. The strategy was given a welcome endorsement over the weekend from the International Monetary Fund, which praised the government's management of the economy and said there was scope for further

monetary easing. With economic growth having slowed to a near halt at the turn of the year and inflatioo falling below the government's 2.5 percent target, most financial analysts expect interest rates to fall this year by one-half to 1 percentage point from the current level of 5.5 percent. Low rates should help speed a recovery, but most analysts expect the ecocomy to grow by less than 1 percent this year, below the government's forecast.

The other tax breaks in the hudget were designed to encourage employees to hoy shares in their own companies, and to foster entrepreneurship by reducing capital gains tax on share opnions granted to executives in start-up ventures.



BUCKLED — German railcars waiting to be cleared away after two regional trains collided near the central station in Erfurt, injuring 13 people. Deutsche Bahn has been hit with a half-dozen accidents this year.

Dispirited Russian Jews Look to Israel

By Michael R. Gordon New York Times Service

MOSCOW - Like many of the Jews in Russia, Anatoli Vugman would like to stay in his homeland. But since the financial crisis struck the country last August, the 20-year-old student has begun to bedge his bets by attending evening classes in the Hebrew language.

Mr. Vugman has plenty of company. With the economy distressed and political "extremists making anti-Semitic tirades, enrollment in Hebrew has tripled

Some students have already decided product, low hy European standards but to emigrate to Israel, while others simply want to know the language of their fore-

Then there are Jews like Mr. Vugman. an earnest young man with wire-rim glasses, who seem to be in a quandary about their future.

The disintegration of the Soviet Un-ion in December 1991 opened a fresh chapter for the Russia Jews. Synagogues and yeshivas started np. The top echopened to people of Jewish descent. But the Jews are now facing a collapsing economy as well as the fresh

hurst of anti-Semitic statements. For the first time in nearly a decade, emigration from Russia to Israel is starting to climb. Though relatively modest, the ouraber leaving for Israel io January
— 1,774 — was 70 percent higher than the 975 who left in January the year

While many lews would prefer to remain in Russia, there is a growing realization that they will have to fight the old hattles against anti-Semitism allover

before.

The fears are more acuse in Russia's provinces. Just Monday, Jews in Novosihirsk reported that the lone synagogue in that Siberian city had been vandalized and swastikas painted on the walls. But many Jews in Moscow and in liberal St. Petershurg are also on edge.

"Of course, things were worse in Soviet times." said Zinaida, 70, a retired woman who was waiting for a meeting at ann-Semitism is again threatening us and our children.



RADICAL PROMOTIONS - A member of the rightist Russian National Unity movement distributing leaflets in Voronezh, Russia. In Moscow, the mayor wants to ban the vocally anti-Semitic party.

Mark Kupovetsky, a demographer at timately depend on the nation's ability to the Jewish Studies program at the State develop a capitalist democracy with University for Humanities in Moscow, rising living standards and Westernsays there is a "core" Jewish population of 332,000 in Russia. "The future for Jews in Russia de-

The estimate increases severalfold if it includes those with one Jewish parent or grandparent - iraportant because Israel accepts immigrants who can show that at least one grandparent is Jewish.

Much of the government team that has guided Russia's painful transition to a market economy is of Jewish ancestry. as are many of the country's hankers and

Nemtsov and Anatoli Chubais. Yegor Gaidar, a former prime min-

the Choral Synagogue in Moscow and ister and avid promoter of a market declined to give her last name. "But now economy, also has Jewish ancestors. Many Jews in fact helieve that their guage of my parents," he said. "But I acceptance in Russian society will ul-

pends on the success of economic reform," said Mr. Kupovetsky.

At the after-school center Vadkovsky Pereulok, in central Moscow, the worries are palpable. On Sundays, ahour 700 Russians attend Hebrew classes, and even on weekdays several

classrooms are full. rycoons, though few are synagogue-going Jews.

Sergei Kiriyenko, the former prime minister, who adopted his mother's Ukrainian family name, is part Jewish, as are the former Kremlin aides Boris Nemtsov and Anatoli Chubais. Anti-Semitism is just one factor in

Mr. Vugman, a student at one of Moscow's most prestigious management academies, explained his situation. "I am a Jew, and I want to know the lan-

President Oscar Luigi Scalfaro's seven-year term expires in May, and political horse-trading has already begun in. Italy on who should succeed him. For the commission, the news that one of its members was seeking high office. came as an embarrassment days after it-

endorsed a code of conduct to show the. outside world it took allegations of fraud and cronyism scriously. The code, due to: be published after its formal adoption. says commissioners cannot hold elected. office of any kind.

A spokesman said that Jacques Santer, president of the commission. was going to ask Miss Bonino to explain. her plans but added that he did not see. any conflict between her political activines and the code.

No Progress on Ulster:

BELFAST — The two politicians, who are essential to making Northern Ireland's peace accord work held another testy, inconclusive meeting Tuesday, underscoring fears on both sides that the peace process might be stalled by irreconcilable differences.

David Trimble, the Ulster Unionist. Party leader and the Protestant politician. elected to lead the new government at the heart of the accord, again told the. Sinn Fein leader Gerry Adams that the party, allied with the Irish Republican, Army, could not take part in the newgoverning structure unless the IRA starts.

disarming first.

For the Record

Eric Giuily, managing director of. the international advertising group BD-DP Worldwide, was elected Tuesday in Paris as chairman and managing director of Agence France-Presse. He replaces, Jean Miot, whose three-year mandate expired on Feh. 2. (AFP)

FRANCE: Fabius Acquitted in Tainted-Blood Trial

Continued from Page 1

their inadequate response to the AIDS problem when first confronted with it in the mid-1980s. But until the early 1990s, groups claiming to speak for the transfusion victims were prevented even from seeking compensation from the govemment for death and suffering. About 4,400 people, many of them hemophiliacs, contracted AIDS from inadequately tested blood stocks in France from the period when Mr. Fahius's Socialist government was in power. About 40 percent

of them later died. The French Transfusion Association said the acquittal of Mr. Fahius was "disgraceful" and the "Politicians didn't dare to get involved with this trial "manipulated and discredited." After the disease for fear of being considered responsive to monthlong trial eoded Tuesday, one of the surviving infected victims. Sylvie Rouy, 35, said tearfully: "Politicians are like gangsters. Unless you catch them red-handed, you never get

Mr. Herve was found guilty of involuntary iniury in her case, and of involuntary manslaughter in the death of a two-year-old girl infected by a

transfusion given before her birth to her mother. Relatives of the dead and others charged that Mr. test developed by Abbott Laboratories was already until he was caught up in the scandal, had been Sylvie Rouy, contaminated with HIV in a 1985 transfusion, leaving the court Tuesday. on the market in mid-1985.

The government, they charged, had stalled until a French test developed by Diagnostics Pasteur could be approved for reimhursement by the state

health system.

Mr. Fahius vigorously disputed that charge and restified during the trial that he had been unaware of discussions about giving the French test a competitive edge. He ordered systematic testing as soon as he was aware that it was available, advancing the date to Aug. 1, 1985, two months

earlier than was originally planned. But Daniel Defert, who founded a group called AIDES in the French homosexual community in 1984, told the daily Liberation on Tuesday: what some doctors were calling a sort of ho-

mosexual lobby.' Awkwardness pervaded the trial, and even the prosecution had called for the acquittal of the three defendants in its summation at the end of last

month. The presiding judge, Christian Le Gunehec, one. of three professional magistrates in the 15-member court, at one point described the proceedings as

Fahius and his health officials had deliberately delayed introduction of systematic testing of blood hanks for the AIDS virus even though an American

Surfacistic.

Even acquittal left the political prospects of Mr. Fahius uncertain. Now 52, be was France's youngest prime minister when he was named in 1984; and.

thought a possible president of France.



Herald Cribune

Chinese Nuclear Spying

The White House role is more dif-

ficult to reconstruct and evaluate.

White House aides insist that they

moved quickly to tighten lab security

once they learned of the seriousness of

the case io 1997, and did not try to

diminish its importance. But the na-oonal security adviser, Samuel Berger,

and his aides may have underestimated

the significance of the affair and failed

to recognize that it warranted a re-

should have examined whether its

China policy was desensitizing Wash-

ingtoo to Chinese efforts to acquire

military technology through espionage and trade. The White House should

have been especially vigilant because

its handling of China was already un-

der scrunny by Congress after alle-gations of illegal Chinese campaign

The Clinton administration cannot

have it both ways on China. It says it is

safeguarding national security, but it has unwisely relaxed export controls

and eocouraged sales of advanced

technology that could compromise American defense secrets. Congress

must now carefully reconstruct the ad-

ministration's handling of this episode

to determine whether wishful policy

goals of engaging China took preced-ence over shielding America's most

the Clinton team seems to have taken

before a belatedly energized govern-

ment finally, after mid-1997, caught on

tn the scope of the spying and started putting basic security reforms into place. Something that looks like delay

and inepiness marked earlier anempts

to get to the bottom of things.
This conduct raises several sets of

suspicions that are yet to be clarified.

Was the American response due to a

wish for a pre-electoral burial of

charges that official Chinese had sent

funds to the Clintoo campaign in 1996? To a desire not to interfere with Amer-

ican high-tech exports? To an intent to

protect the favored Clinton policy of

up reports. Meanwhile, it is hard to

avoid two impressions. Successive ad-

ministrations were excessively trust-

ing in seeking to open closed countries

by unilateral displays of American

crown lewels. Then, the Clinton ad-

The CIA and Congress are working

eogagement" with China?

important military secrets.

— THE NEW YORK TIMES

contributions in 1996.

assessment of relations with China. After the case was laid out for Mr. Berger in July 1997, the White House

Careless Security

It is alarming to discover that lax security at the Los Alamos nuclear weapons laboratory in the mid-1980s may have let China steal secret designs for one of America's most compact nuclear warheads. It is also troubling to learn that the Clinton administration did not react vigorously enough when it first heard of this possible breach of national security nearly four years ago. Some administration officials suggest that the White House may have minimized the case to insulate its goal of improving relations with Beijing.

Careless security procedures have been a long-standing problem at nuclear laboratories under Democratic and Republican administracions. But a report by James Risen and Jeff Gerth of The New York Times makes clear that after the 1995 discovery of possible espi-onage at Los Alamos the administration moved too slowly to investigate and to weigh the implications of the case.

The FBI's initial inquiry lacked concentration and resources. The Energy Department made multiple mistakes. including withholding information about the case from Congress to avoid criticism of the administration's China policy and initially failing to take recommended steps to righteo security at the labs. These failures are clear and can be directly traced to the indifferent leadership of the department before Bill Richardson took it over late last year.

See China as It Is

The evidence brought out in a succession of press reports indicates that in the 1980s China accelerated its missile program, by a degree yet to be determined, by means of spying oo the U.S. missile labs. It is further alleged that in the '90s the Clinton administration soft-pedaled the effort to track the suspected espionage in part to serve the political goal of improving rela-

tinns with Beijing.

Chinese in the Reagan period produced a hreakthrough in designing small warheads for delivery by long-range missiles. This was only one nf several instances of alleged Chinese esplonage directed at the labs in that period. This was serious stuff. It reflected a failure of security. It took no less than a decade for American counterintelligeoce to identify a Taiwanborn American scientist as a suspect, and he was fired on Monday. It also resulted in the United States strengthening a country of currently uncertain and conceivably bostile strategic orientation in the future.

No less dismaying is the attitude that

The Allure of DiMaggio

It has been almost half a century field kingdom in Yankee Stadium over to a strapping youngster named Mickey Mantle, but even now, in death, Mr. DiMaggio still owns that green acreage. He roamed there with a grace and grandeur that redefined the art of fielding. Even more than the prolific hitting that earned him enduring fame, his silky, seemingly effortless motion across the outfield grass was the signature of his game.

Joe DiMaggin was one of those rare sports stars, like Babe Ruth, Muhammad Ali and Michael Jordan, who set new standards of athletic excellence and also became a distinctive part of American culture. As stylish off the field as on, he was an icon of elegance and success, a name as recognizable oo Broadway and in Hollywood as at the ballpark. Millions who never saw him play understood the reference in the Paul Simon song of the 1960s: "Where have you gone, Joe DiMaggio? A na-

tion turns its lonely eyes to you."
Other men have hit the ball farther and run the bases faster, but few bave excelled at so many elements of the sport. His 56-game hitting streak in 1941 remains untnuched, one of the great benchmarks of consistency and productivity in all of sport. In 13 seasons with the Yankees, Mr. DiMaggin produced a career batting average of 325, hit 361 bome runs and knocked in more than 100 runs in a season nine times. He played in 10 World Series, nine of which the Yankees won. He possessed one of the sweetest swings baseball bas ever seen, a hitting stroke of such precision that he struck nut only 369 times in his major league career.

ministration yet again comes under a beavy burden to show that it is prepared to deal not with the China of its fond hopes but with China as it is. But the numbers alone do oot exwas his brief, turbulent marriage to Marilyn Monroe and his taste for nightclubs and tony hotels. Part of it was his \$100,000-a-year salary, a small fortune in his days as a Yankee.

For younger fans, there was also an almost mystical link to the past — Joe DiMaggio joined the Yankees in 1936, just two years after Babe Ruth left and before Lou Gehrig retired. His appearance on ceremonial occasions at Yan-

ing for fans of all ages.
His fame also flowed from the aura of quiet dignity that he carefully preserved throughout his career and retirement. With the notable exception of his service as a pitchman for the Bowery Savings Bank and for coffee brewing appliances, he dodged the celebrity limelight. The mystery only added to his allure.

kee Stadium in recent years was thrill-

-- THE NEW YORK TIMES.

Other Comment

A 'Natural Aristocrat'

Pride, supposedly one of the seveo deadly sins, is often a virtue and the source of others. Joe DiMaggio was pride incarnate, When as a player he had onthing left to prove, he was asked why he still played so hard. Because, he said, every day there is apt to be some child in the stands who bas never before seeo me play. One of Jeffersoo's "nantral aristocrats," he proved that a healthy democracy knows and honors onhility when it sees it.

George F. Will, commenting in The Washington Post.

KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER

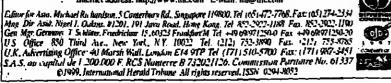
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R OME—The recent local elections in Iran are an indication of a change in direction. The large rurnout and the outcome show that the reform movement is taking root.

President Mohammed Khatami is

trying to support the aspirations of civil society. While not renouncing the country's traditions, he seeks to reconcile Iran with modernity, with its rules and techniques, and with respect for elemeotary rights.

Theocratic society as theorized by the late Ayatollah Ruhollah Khomeini. and implemented by his successors, is being challenged. The outcome is by no means a foregone conclusion. Change can come only as a result of

a national effort, but it is important that the work of the more enlightened sections of society not meet with indifference abroad. This Tuesday President Khatami began a visit to Italy, the first such visit to the West since the 1979 revolution.

He will subsequently visit France. A conservative movement persists in the county. It receives minority support at the ballot box but it is still strong among the clergy and in Parliament.

By Lamberto Dini

The writer is Italy's foreign minister.

Mr. Khatami is endeavoring to step over a line drawn by the West, which has demonized his country. He is trying to establish dialogue on an equal footing with the West. He reminds us of the crucial role that Iran has to play in the Middle East and the Gulf region, cootaining another state that is always ready to equip itself with military in-struments which far exceed its defense equiremeous.

Petroleum and armies are not what matter most in that area. More important are subtle and far-reaching aspects of politics, and the form of coexistence between the Western world and the world of Islam, of which Iran represents the most organized and elabnrate form. Shitte Islam.

Italy understands the need to support Mr. Khatami's political project to help the country pull out of isolation. Jointly with our partners and allies, we have always maintained that sidelining Iran would not help to foster the emergence of a more open and tolerant society.

The European Union has embarked on a new course of frank dialogue with Iran, focused in part on the role of Iran in the Middle East and Central Asia. I am convinced that the United States is also beginning to view Iran in a new light. conscious of the contribution to stability that Iran could make once its inter-

oational relations are fully restored.

To this end, Iran will have to make clear progress on internal democracy and provide evideoce of its dissociation from international terrorism and of its commitment to nonproliferation of apons of mass destruction.

Iran is participating in a strategy to redraw the map of energy supplies that are of fundamental importance to Europe. Lying as it does at the geographical crossroads between Europe and Asia, it is establishing a oetwork of pragmatic relations with its neighbors designed to foster ecocomic cooper-arioo and regional stability. It has shown proof of moderation and bal-ance in the difficult crisis that arose last

summer with Afghanistan. Even though Iran remains basically skeptical about the validity of the strategy adopted at Oslo, it recognizes

the need to reach a negotiated solution. eschewing violence, in the Arab-Israeli conflict, Iran wishes to be considered un langer as an enemy state but as a

responsible regional power.
There remains much to be done in the fields of human rights, freedom of expression, nonproliferation guarantees and economic reform. These are all issues that we will discuss frankly during President Khatami's visit.

But the challeoge facing him per-sists. The risks of backsliding are ever present. They will remain so until liberalizatioo is translated intu institutional reforms that remove ambivalent aspects of the political system and provide a more open interpretation of the religious principles underlying the Islamic Republic.

President Khatami told me io March 1998, and has repeated since, that he is counting on dialogue between cultures and civilizations, particularly the most ancient ones. It is no coincidence that his stay in Italy will conclude with a meeting with the Pope and a visit to the European University in Florence. He will be seeding a message to Europe.

International Herald Tribune

Prepare Together for Different Trans-Atlantic Relations

L ONDON — The widening gulf between the self-images and aspirations of the United States and Europe emerges almost daily now in disputes over cashmere sweaters and bananas, the human costs of U.S. warplanes barreling over Alpine ski resorts, and the debility of allied diplomacy in the

Cold War's long aftermath. Such consequences would have been far from the thoughts of Captain Richard Ashby in the seconds before his EA-6B Prowier sliced a gondola cable io Italy a year ago and sent 20 European skiers to their deaths, But by the time be was acquined last week of negligent homicide, he had become an unwilling bit player in history's search for a new trans-Atlantic equilibrium,

That search now leads toward the huge celebration of the 50th anoiversary of NATO in Washington in April. Several score presidents and prime min-isters will parade noisily in the reflected glory of trans-Atlantic unity, while the termites of discord gnaw quietly at the cul-tural and economic foundations of history's most successful international joint venture.

Not since 1973, when Henry Kissinger and his European partners in diplomacy pro-claimed the Year of Europe and then fell into bitter bickering, have so many risked doing so practical results.

In European-American terms at the end of the 20th century, those whom the gods would destroy they first render rich. grandiose and vain.

The United States threatened last week to impose prohibitive duties oo the import of French luggage, Scottish cashmere sweaters and gourmet Italian cheeses in revenge for Europe stiffing world trade rules on hananas, a banal commodity

By Jim Hoagland important to U.S. campaign

contributors. Is there any comhination that could better deflate the April summit's pretensions of Euro-American seriousness and concord?

But the picture drawn by the outcome of Captain Ashby's trial eclipses even the banana war skirmishing. The macabre symbolism of the fate of the goodola's German, Belgian, Italian and Polish skiers, and the legal destiny of the American crew that sent them to their deaths, bave seized political consciousness on both sides of the Atlantic,

The victims' multinatinnality hints at Europe's accelerating integration. And the airmen instantly personify the inconveniences of a continuing large U.S. years after World War II and a military justice remains high on absence of the Cold War are

decade beyond the Cold War: An American warplane lethally intrudes into the leisure society that has become so vital to Europeans in their 50-year quest for renewed prosperity and unfamiliar tranquillity.

The U.S. pilnt is training for combat missions in oeighboring Bosnia, a small war that the Europeans were oot able to stop alone. The U.S. war machine's undisciplined, mighty power is misused with fatal consequences for the Europeans, while the Yankee flyer jets away essentially unaware of the damage he has done.

Captain Ashby's Marine Corps judges (reasonably, in my view) found that the errors that caused this tragedy came down the chain of command military presence in Europe, 50 and not from his neglect. So

the wag's list of oxymorous.

But for many Europeans the form of the trial — conducted on U.S. soil by U.S. military officers -- raises as many questions as the acquittal. The longterm consequences of the goodola massacre, as it has been called in Italian newspapers,

has more to do with politics

than with justice, During the Cold War, this kind of incident would have had far less impact. It would have been seen as the price for the protection that U.S. forces in Europe provided from Soviet Atlantic community. They do invasion. The status-of-forces agreements that put most misehavior or wrongdoing by U.S. servicemen in Europe outside European legal control were

simply part of the bargain. But the roles that Europeans and Americans assign themselves, and each other, in the much more diffuse and difficult

for each side to grasp.

President Bill Clinion and Prime Minister Tooy Blair and the others heading for Washington in April should look beyond the trappings of summit ceremony and the mechanics of diplomacy. They should focus instead on how differently Americans and Europeans have begun to see their roles in the

world, and the world itself. These leaders need to address where these unattended divergences will take the transnot need to fight over bananas and cashmere, or over the Ashby tragedy, or celebrate traumph in the Cold War. They need to come together to understand and overcome the broad psychological changes and divergences that their com-

mon victory is producing.

Bananas Are Just One Item in an Explosive Mixture

ONDON - Storm signals Lare out over the Atlantic. The United States is disputing Europe's discrimination favoring small Caribbean banana producers over Central American bananas marketed by a U.S. company, Chiquita, American-traded bananas already make up more than 70 percent much that will look so ridicu- of the European market. Without European restrictions could be substantially more. Huodreds of millions of dollars are at stake. And Chiquita is

using to the full its considerable lohbying power in Congress.
The United States last Wednesday cooditionally imposed 100 percent tariffs on about \$520 million worth of carefully selected European exports to the United States. This means that exporters of goods ranging from cashmere sweaters to handbags must straight away

producers to continue shipping these goods to the U.S. market. Despite the much vaunted close relationship established by Tooy Blair with Bill Clintoo, British goods account for a quarter of the list.

months. The Americans argue that their patience has simply run out. The European Commission, which negotiates for the EU on trade issues, has modified its banana import regime once already. It points out that U.S. action before the World Trade Organization has assessed the amount of trade involved breaches WTO rules. There could be countermeasures.

This dispute covers substantially less than I percent of total

By Roy Denman

post bonds to cover them, a step which will make it risky for U.S.-EU trade. Its significance lies in it being only one of a mounting series of disputes across the Atlantic.

 The controversial Section 301 of U.S. trade law - and the basis for present sanctions — is to be assessed by the WTO's dispute settlement body for

 In Cartagena, Colombia, last mooth the United States and the EU failed to reach agreement oo genetically modified organisms, hormooes in beef and antibiotics in food. A European ban oo imports of these could lead to a row that would dwarf the one on bananas.

 The House of Representatives has voted to ban Cotcorde, the British and Freoch supersonic jet, from landing in America, to retaliate against a European ruling preventing, as from April 1, 2002, many older and noisier American airplanes from landing in Europe.

All this makes for an explosive mixture. A major, escalating trade battle across the Atlantic would put at risk hundreds of thousands of jobs on both sides. Bot it would inevitably spread more widely.

Japan and several other WTO members have already disagreed with the U.S. sanctions. The Caribbean countries have threatened to renege oo a treaty with the United States to fight drug trafficking. The bigger and wider the trade disputes to come, the greater would be the danger to the World Trade Organization, which both the United States and the European Union did so much to create.

The EU's banana regime is

The constitution of the EU, the Treaty of Rome, signed in 1957. included it as its first protocol under the "Implementing Convention on the Association of Overseas Countries and Territories with the Community:" Now known as the Lome Conveotioo, this aimed to help the poor former colonies of a uniting Europe by means including tion in their favor.

For 40 years this arrangement has been accepted by the world trading community. That the richest country now attacks the modest privileges of some of the world's poor surprises many who remember the great acts of generosity for which the United. States has been renowned.

The argument about bananas should not be about principles but about practical problem salving, in this case about the mechanics of awarding licences to different importers. Let this be urgently pursued without the clash of cymbals and the thunder of cannon.

In the meantime, let the EU and the United States reflect on the dangers of constantly extending preferences. Would Washington welcome a complaint by the EU about discrimination in favor of Mexico or Israel, or the EU a complaint from Washington in favor of South Africa? The founding fathers of GATT wanted a world with the miniroum of preferences and the maximum of nondiscrimination. History is beginning to show that they were right.

The writer, a former represemative of the European Commission in Washington, contributed this comment to the In-

not a recent protectionist trick. ternational Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1899: Drawn to China PARIS - [The Herald says in

an Editorial; The arrival of Mr. Choate in London, as United States Ambassador, has elicited from our correspondent some observations on the Far East. He points out that the action of Russia and Germany in China tends to the exclusion of the two oations who first opened up the country — England and the United States. He believes that the best way to ensure prosperity is to form an Anglo-Saxon combination: English and American manufacturers, mechanics and capitalists will go forward with confidence to the industrial conquest of China."

1924: Wireless Cures

LONDON - There have been many cases when the doctors of hig Adamic liners were appealed to for medical advice by smaller craft. The doctor of the

Olympic received a radio call from the Royal Prince regarding o member of her crew who was suffering with a heart disease. He prescribed for the case by wireless. Doctoring by wireless is in its infancy in the opinion of shippers, and some believe that doctors on shore will eventually advise their voyaging patients.

1949: Eskimos' Diet OTTAWA - Dr. Arthur Pert.

chief epidemiologist of the Dominioo government, re-turned from the Arctic and reported that white men's food had weakened the resistance of Eskimos. He said: "They were suffering from a shortage of their staple diet of caribou meat. As a result the natives had to rely on white men's food stocks.
But the Eskirnos were not used to tinned products with the result that their resistance was lowered." When poliomyelitis struck it killed thirteen persons.

Herald Eribune

 WALTER WELLS, Municiping Editor • PAUL HORVITZ, Deputy Municiping Editor
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Looking Ahead to Help East Timor

tion of President Suharto in May cleared the way for a resolution of the East Timor question. Before that, the fall of the Berlin Wall and the end of the Cold War took away a key rationale for Australia's acceptance of Indonesia's formal incorporation of East

Timor in 1976.. Successive Australian governmeots endorsed Jakarta's sovereignty over East Timor because Australia did oot want to see Balkanization of the world's fourth most populous nation, with the granting of independence fanning separatist sentiment elsewhere in the Indonesian archipelago.

Before Indonesia moved in 1975, Portugal had left East Timor in a state of civil war with little prospect of stability. There were concerns that an independent East Timor would be economically weak and susceptible to leftist interests inimical to the interests of Australia and Indonesia.

President B.J. Habibie has said he wants to resolve the questinn of East Timor's status by Jan. 1. Meanwhile, he want to have the East Timorese make a decision on his offer of wide-ranging autooomy before Indonesia's geoeral election on June 7.

There are now a series of high hurdles for East Timor to jump. Negotiations on the autonomy package between Indonesia and Portugal in New York will be concluded next month. The people of East Timor will be consulted on whether they accept the package or would rather have full independence.

The writer is Australia's

foreign minister.

The consultative process will be less than a full referendum. But we and others have insisted that the methodology used must be seen by the East Timorese as credible. One option is for a consultative assembly to be elected by the East Timorese and for that assembly to make the decision. There are other ideas being considered, all of which involve very wide participa-

tion by the East Timorese. Once the decision is made, there will be the task of managing a smooth transition to autonomy or independence. Indonesia bas given me a firm commitment that it will not just walk out and leave East Timor in a state of chaos if independence is chosen. That is good news. But Jakarta does not want to bear the financial burdeo for East Timor once it separates from Indooesia,

should that happen. Instead it will be happy to make security and administrative resources available to the territory, provided the cost is borne by the United Na-tions. Obviously, in those circumstances, other countries including Australia and Portugal would assist.

The most difficult issue of all is how to manage the security environment while all these changes are taking place. There will almost certainly have to be some international confidence-huilding and administrative presence in East Timor from an early Institute in Sydney.

By Alexander Downer stage. This would have to operate under UN auspices.

At this stage, Australia does not favor a UN peacekeeping force of the kind that was involved in Cambodia, A more realistic alternative would be to provide UN-based administrative support to East Timor, a confidence-building presence and, if independence is the preferred choice of the East Timorese, some international police presence along-side the East Timorese police. The process of reconciliation in East Timor is crucial

evolves. Bloodshed must be prevented and the process of testing East Timorese opinion on the autonomy package allowed to work. The East Timorese must work out what sort of country they want. As part of this reconciliation process, Australia believes it is crucial that East Timorese leaders of all factions sit down together to

work out a way forward. We have told the leaders that we

will provide support for a rep-

tn the way in which its future

resentative gathering. Finally, there is the questioo of who will run East Timor from next year if it opts for independence. Obviously, the East Timorese will in time take full cootrol of their affairs — but probably only after a period of a couple of years during which the United Na-tions would play a role in the territory's administration.

This comment-was adapted by the International Herald Tribune from a speech on March 1 to the Australia-Asia

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OPINION/LETTERS

itlantic Rela

Internet Entrepreneur: Act Small, Think Global

By Thomas L. Friedman

wrote a column about Lyle books. He was underselling know actually exists. Amazon.com (and making a profit!) while running the whole operation out of a spare bedroom

in his home in Cedar Falls, Iowa. The column elicited the usual range of skeptical responses from experts, who argued that Mr. Bowlin's operation was just a fluke, or that he was not calculating his costs properly, or that Amazon.com would soon crush him and all other would-be littleguy competitors.
Well, to all of you I say: You

are wrong. You think the Internet is overrated. It is underrated. Here is the e-mail I received from Mr. Bowlin two days after the column ran, both in The New York Times (IHT, March 1) and on-line on "Dear Tom, I thought I would

just fill you in on the impact the column has had. We had over 142,000 hits between 11 P.M. Thursday night [when the column first appeared on the Web] and 2 P.M. Friday afternoon from 40 different countries, before the software that tracks hits gave up and crashed. I have personally responded to over 1,400 e-mails."

The e-mail messages fell into three broad categories. One group was people who were interested in the charitable donation arrangement that Mr. Bowlin offers, whereby 10 percent of the purchase price of any book can be dedicated to a charity certified by the Internal Revenue Service.

Another group was small-business people around the world, particularly craft makers, who were interested in competing against the big boys from their spare bedrooms at home and wanted to know how to get started.

"There are a lot of people out there who have a passion for selling different things," Mr. Bowlin said, "and if they all start doing it over the Web as a hobby, it is going to have an impact on the big retailers."

What intrigued me most, though, was the third group. "There is a whole group of people out there," Mr. Bowlin

WASHINGTON - I recently said, 'who like the idea of the 'little guy competing against Bowlin, who, for about \$150 a month, had managed to put together a Web site that could compete with Amazon.com for selling of dealing with a person they

> "Even though their contact with me is over the Web, and it is through e-mail, they know when they contact me the answer is coming from a real person, with a real name. I'm a real person, not a virtual person."

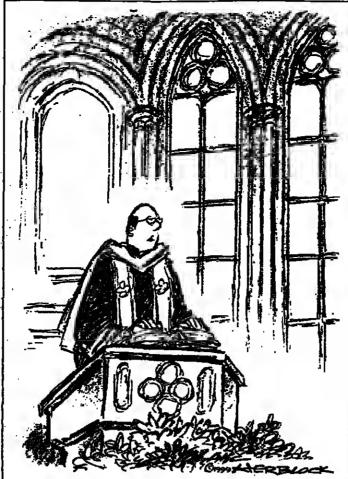
In other words, there is still a deep bunger out there for that oldstyle, Main Street feeling, huilt on human contact. This suggests that the really successful retailers in the Internet Age will be those who can combine the efficiency of cyberspace with the intimacy of the backyard barbecue.

Mr. Bowlin's experience underscores another point: If you think globalization is overrated. you are also wrong. As Mr. Bow-lin can tell you, the minute you start to do business on the Web. you have to think globally. You have to think about your customers as global, your competitors as global, your readers as global. your suppliers as global and your partners as global.

There has never been a commercial technology like this in the history of the world," said Robert Hormats, deputy chairman of Goldman Sachs International, whereby from the minute you A Troubling Verdict adopt it, it forces you to think and act globally."

Mr. Bowlin got offers last week to go into partnership with local booksellers in London and Singapore. Whereas before he was doing at best \$2,000 a month in business, since the story about him appeared on the Web he has been doing \$2,000 a day from around the globe. This is enabling him to make improvements to his site - www.positively-vou.com - that will make it even more competitive with Amazon.com.

The only downside to his sudden expansion, Mr. Bowlin said, is that he can no longer compete against Amazon.com from his spare bedroom. It is not big enough anymore to serve as his headquarters. "I've had to move the whole operation into the downstairs formal dining room," he said.



مكذامن الأعل

'And as we continue the services, if you will please put away your cell phones - "

Doing Away With Public Life

NEW YORK — If ever one needed an event to mark the end of privacy in America, the televised interview last Wednesday with Monica Lewinsky would concern private behavior. certainly qualify. For two hours, under the gentle prodding of Barbara Walters, the young Ms. Lewinsky cheerfully bared everything, from her sexual proctivities to her battles with her weight,

MEANWHILE

and revealed quite a few of President Bill Clinton's secrets, for good measure.

She was only following a well-worn trail that Ms. Walters herself had helped blaze.

For years, critics have complained that the steady incursion of the media into the private lives of public figures has eroded privacy until nothing is off-limits. We know celebrities' addictions and abuses, their romances, finances, health, childhood transgressions, even their psychological needs. In truth, it seems there is little we do not know.

But the point is not that there isn't any privacy left. It is that there is nothing left of what used to be called the "public,"

The constant revelation of the private has reduced the public and gradually usurped it until there is really no public life anymore. There is little serious public

ing to assume moral responsibility

for the deaths of the 20 skiers, the

Italians should close the Aviano

base from which the planes took

off, because the pilots appear to be

a public danger. Let them practice

their antics over downtown Man-

"Military justice" in the U.S.

Fontenay-Trésigny, France,

Homage to an Art Form

Marine Corps is an oxymoron.

Kapelten, Belgium.

JOHN RAY.

hattan, for a change.

By Neal Gabler

discourse, nothing that does not

When intimacies become the center of a society's public discourse, there is only confession and gossip.

What a sea change this is. It was not so long ago that journalists and celebrities, be they politicians or entertainers, observed a strict demarcation between what was intended for public consumption and what was intended to be private. As Humphrey Bogart so pungently put it, all be owed his fans was a good performance.

As late as the 1920s, no respectable U.S. newspaper would even publish birth notices, seeing them as an invasion of privacy. and the gossip columnist Walter Winchell was reviled by many of his journalistic brethren for printing the sorts of things — divorces, affairs, pregnancies — that now win reporters accolades.

The Lewinsky interview was an object lesson in the end of the

public, just as it was an object lesson in the flaunting of the private. There was scarcely a moment in the two-hour interview that was not dedicated to Ms. Lewinsky telling us some lurid detail or displaying some personal dysfunction as Ms. Walters sat there, with the rapt eagerness of a dog begging for table scraps. We learned about Ms. Lewinsky's romantic travails, ber lack of self-worth, her self-ascribed sensuality, her flirtations, her depressions.

Lest all this seem stale, Ms. Walters promised a new "startling revelation," which turned out to be that Ms. Lewinsky had had an affair with a Pentagon official, had become pregnant and then had an abortion. In short, Ms. Lewinsky had turned het deepest secrets into a tease for her interview and book.

She and Ms. Walters did the same thing for Mr. Clinton, making the private public and thus brutally shoving aside anything that did not concern the private. So we got a peek behind the public man: at his marriage, his hroken pledge of fidelity, his talents as a lover. Mr. Clinton was treated as if he were just another of Ms. Walters's movie-star subjects, for whom the actual work. the film, was much less exciting than the life. After all, who wants to talk public policy when you can talk phone sex?

But the death of the public was not only demonstrated by the content of Ms. Lewinsky's interview. If anything, it was even more powerfully demonstrated by het attitude and that of

Ms. Walters. Ms. Lewinsky seemed positively giddy playing the role of star, finally allowed to step out from behind the screen to show her fans her "true" self. Having assumed the celebrity persona, she engaged in self-analysis, rummaged her childhood for keys to her behavior, delivered the requisite secrets and even broke down on cue, turning every infimacy and emotion into public foddet. What this showed is that when it comes to her public life. Ms. Lewinsky does not have one: All she has is her private life,

publicly displayed. Of course, Ms. Lewinsky is only a symptom. She realized that in a culture where celebrities are vying for attention, onc of the best ways to get it — one of the only ways to get it — is by

divulging atl.
Other celebrities sit for Ms. Walters or for Vanity Fair, knowing that the transaction is publicity for secrets, because they know that few people really care about what little remains of the public: their work.

In a sense, Ms. Walters is just a highfalutin version of the tabloid TV talk-show bost Jerry Springer. the only real difference being that ber guests have name recognition and his do not. Otherwise, Ms. Walters and Mr. Springer and Oprah Winfrey and Vanity Fair and People are all in the same business: voyeurism.

It has come to that. An estimated 70 million viewers watched the Lewinsky interview and millions of others are rusbing to buy het tell-all book, making us the first generation of Americans to know as much if not more about our president's sexual habits than about his policies.

Nearly 25 years ago, in his classic study "The Fall of Public Man," the sociologist Richard Sennett, fearing the rise of personal confession and psychobabble, warned that this might happen. Now, in a society that is all secrets all the time, we have fulfilled his prophecy.

The writer, author "Winchell: Gossip, Power and the Culture of Celebrity," contributed this comment to the Los Angeles Times.

LETTERS TO THE EDITOR

Regarding "Verdict on a Trogedy" (Editoriol, Morch 8):

I read with anget and dismay the editorial concerning the acquittal of Captain Richard Ashby, I can understand a jury of military officers being sympathetic to his case, but not The Washington Post.

His defense was that he was not criminally negligent because he did not know the Italian altitude restrictions, did not have an accurate map and had an altimeter that may have malfunctioned. The civilian highway equivalent of this argument would be for someone to cause a deadly car crash and claim lack of responsibility because he did not know the speed limit and did not have a map to see the next bend in the road.

As a military pilot, Captain Ashby was responsible for showing good judgment while flying a

plane. Did he need to read a rule book or look at an altimeter to know he was 360 feet (110 meters) from the ground in a populated

area and should not have been? I do not see how his superiors can take the blame for what he did in the airplane he was flying. They were not there. Certainly the missing videotape of the flight is another indication that Captain Ashby is hiding something and

was probably attempting stunts. There is an "us versus them" mentality in this case. I am sure that the U.S. military would not carelessly fly fightet jets 350 feet above the mountains in Aspen, Colorado.

ELLEN ROONEY. London.

The acquittal of Captain Ashby is more proof that court martials exist primarily to serve the military establishment. If the U.S. military is not will-

Regording "The Unspoken Art of Cohlese" (Meomyhile, Morch hy E.J. Diome Jr.:

KUDOS ADDIONNE EX-EADER RECABLESE. UNDOWNHOLD ENCORE

SOONEST. RICHARD PATRICK WILSON.

Mobile, Alabama.

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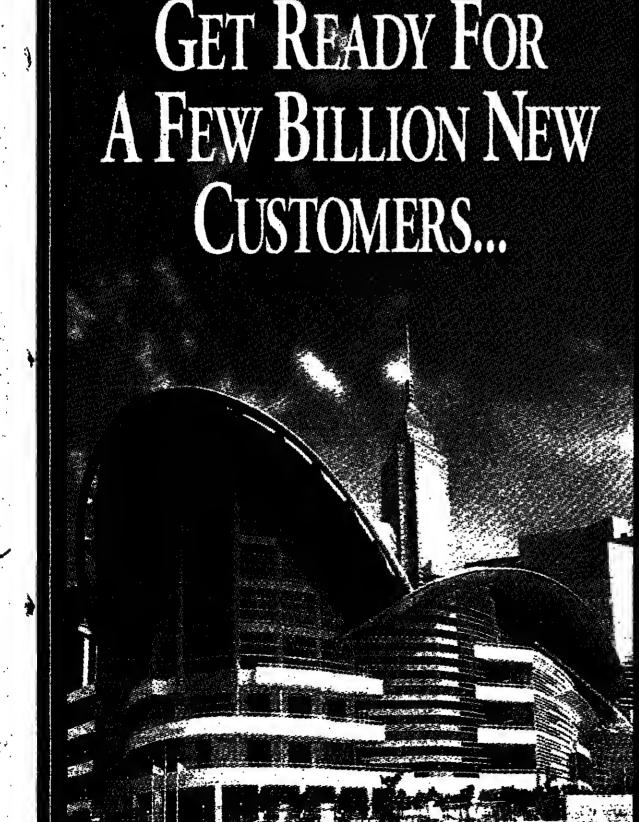
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in Faplusive



One's Company, Two's a Crowd

Star System Revisits the Classics

By Sheridan Morley inonal Herald Tribui

ONDON — To be or not to be ally nonexistent in a permanent company? Just as we lose the Peter Hall com- to consist in the pany at the Piccadilly, just as second of an indoor Trevor Nunn launches, on all three swimming pool for stages of his National Theatre, the first Macduff's castle and residential season to play on the South Bank for almost 20 years (with a group of actors on yearlong contracts in everything from "Troilus and Cressida" to "Candide"), and just as the Royal Shakespeare Company faces up to the agonizing choice it has to make between big stars on necessarily short-term cootracts for one show each, or a team of lesser players willing to stay longer, we get two useful West End reminders of the dangers of the old star system in the classics.

First (reviewed here recently), the Robert Lindsay "Richard III" at the Savoy, a weird music-hall turn in which the star seems to prefer working with the audience rather than his fellow players, and now the Rufus Sewell 'Macbeth' at the Queen's, where again the effort to get his name on the poster seems to have exhausted all other thoughts about how and wby the play should be conceived for the contemporary West End.

We are now, amazingly, back to where Donald Wolfit left us about 50 years ago: one big star doing his thing, with precious little money left over for scenery and costumes and a supporting cast that appears to have been instructed to watch politely from the sidelines. not so much acting as being acted at.
Essentially it becomes EgoShakespeare, and we are all the losers.

For his Shaftesbury Avenue debut as a director, John Crowley has chosen to give us a minimalist regional stu-dio-staging that might just about get by somewhere miles from anywhere and starved of Shakespeare, but looks decidedly cheap at West End prices. Sewell is indeed charismatic as Macbeth, recalling an odd bybrid of the young Oliver Reed and the young Albert Finney, but he gets very little support, even supposing he were willing to look for it, from Sally Dexter's curiously wan and underpowered Lady Macbeth and a supporting cast of cata-

than Scots accents. As for Jeremy Herbert's set, virtua black cardboard box that entombs Macbeth until, inten-

tionally or not, he puts his foot through its cardboard side in a fit of rage, whether at the production or his imminent defeat is not clear.

pace, no danger, no

any idea as to why they are doing this result is a tawdry showcase for Sewell,

If the hope was of a postmodernist event that would somehow transcend the normal laws of Shakespeare and appeal over the heads of the usual audiences and critics to a whole new constituency of theat. "Much Ado About Nothing" that was

becoming a reality at the Queen's. In abandoning all the usual props. in abandoning all the usual props, in casting a company that seems often unfamiliar not just with the verse but with bow the drama might be going to end. Crowley has turned his back on the play as well as those who pay to see it.

Overproduced text. Since then on film there has been some Shakespeare strongly indicating that a crossover from movie stars to classic stage is no bad thing. But there still has to be some sort of a guiding intellect, a frame within which the play can either be celebrated. reconsidered or in some way

The result is a production of quite stunning inefficiency and arrogance, in which scenes are alternately gabbled and dawdled as if that alone would guarantee pace or energy. A vague atstrophic weakness, many of the players in this stolid workshop run-through only seeming to have strongly Irish rather the old trouper Petet Bayliss as the more like the day before yesterday.



No coherent style Rufus Sewell as Macheth and Sally Dexter as here of any kind, no Lady Macbeth at the Queen's Theatre.

context, no sense of the company's Porter seems to have any Sbakespearean having come together in rehearsal with or stage technique of any real kind. At the beginning of his all too short scene particular play at this particular time or he picks the production right up off the what they wish us to learn about it. The ground, only unfortunately to replace it neatly there as he goes off.

The trouble with that idea is, as usual, that Sewell's people aren't much going to care for Shakespeare, while those who go for the Shakespeare will be underwhelmed by what Sewell does with the text.

If the hope was of a poer the state of the state of

mercial theater Shakespeare. At this same address several years ago, the

ergoers, I have 10 say I don't see this a genuine revelation of a somewhat becoming a reality at the Queen's. In overproduced text. Since then on film brated, reconsidered or in some way brought back to immediate theatrical life, and here all that is sadly lacking.

No Thanes for the memory, just a slipshod shambles in which the three witches come on looking as though they tempt is made at crosscutting, so that are about to appear in a musical version scenes start just as others are ending, and of "The Crucible." Not so much to-

The Battle of the Operas

Comique in Paris Is Laying Claim to Its Old Repertoire

By David Stevens

ARIS - The Opera Comique is treating itself to a 100th birtbday party this season. Not that the institution or the art form is that old — 300 years would be

It actually marks the anniversary of the opening of the third Salle Favari on Dec. 7, 1898, rebuilt after the second theater on the same site had been destroyed by fire in 1887, with much loss of life and records.

But any excuse for a celebration is a good one, and this can be taken as a sign of life after a century that began with some glorious years followed, in the last half century, by periods that saw the Comique on the brink of extinction:

The company was in good health as The company was in good health as the century began, with premieres of Cbarpentier's "Louise" (1900), Debussy's "Pelleas" (1902) and Ravel's "L'Heure Espagnole" (1910). The not so good years began in 1940, when the Comique was placed administratively under the same direction as the Paris Opera. The Comique was meated thereafter as a poor relation, losing some of the gems of its traditional repertory (among them "Carmen," "Tales of Hoffmann," "Pelleas." "Tosca," "Boheme") to the bigger bouse. Boheme") to the bigger bouse.

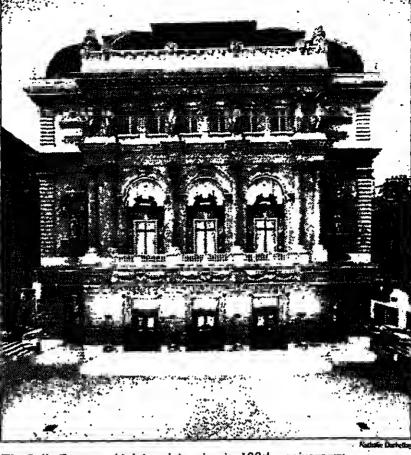
But it is still in business, albeit on a skimpy budget, but once again autonomous and with a loyal public that still fills the seats more often than not despite the customary absence of starry casts.

Under its current director, Pierre Medecin, the Comique has become feisty, going head-to-head with the Opera on repertory. Last season, the Comique exercised its claim to "Pelleas et Melisande" in a new staging, and this year it gave its public an alternative "Carmen" to the one at the Bastille.

These two works had their world premieres at the Opera Comique, which is not the case with the latest new production, "Don Giovanni," which is also scheduled for a new staging at the Bastille later this season. The Opera has a longer history with Mozart's masterwork, but the Comique is not far behind historically — having first done it in 1896 with the great Victor Maurel (Verdi's original lago and Falstaff) in the title part.

ditional one, but it is lively and imaginative, even jnkey, staged and designed by Philippe Arlaud, an experienced French theater man now based in

Arland's historically neutral set disenses with architecture, using a set of iding, brightly colored panels to create



The Salle Favart, which is celebrating its 100th anniversary.

sense of movement and provide appropriate playing spaces. And his solutions to the various situations are often original, such as the unarmed Don trying to avoid the Commendatore's dagger before finally killing the old man with

his own weapon.

Andrea Ulimann's costumes also avoided a specific time frame and contributed to the vaguely comic-strip at-mosphere. The Don is in white-face and dressed in a floor-length white far robe and a white fedora, while Leporello looks like a hotel porter in black. Donna Elvira's bright yellow robe is decorated with red appliquéd handprints in sexually suggestive places, but they gradu-The new production is hardly a tra- ally disappear as the denouement ap-

> It seems that no one sends the Don to Hell through a trap anymore. Here the Commendatore's statue places a pistol in the Don's hand — but it is a pistol from Hell that takes on a life of its own before going off with its fatal result. Denis Sedov, tall, thin and demonic,

was a splendid Don, with a suitably lean and vibrant baritone. The double casting for the run included several singers from. the Comique's permanent troupe and its Jeune Theatre Lyrique. At the performance in question they included Elena Mosuc as Donna Anna, Sandra Zehzer as Elvira, Karine Ohanyan as Zerlina, Philip Sheffield the Don Onavio, Emidio Guidotti as Masetto, Thierry Felix as Leporello and Svetosar Rangelov as the Commendatore. Young, but well cast, they should all be heard from again.

Andreas Stoehr, a Viennese conductor who is a permanent member of the Comique troupe, conducted the Ensemble Orchestral de Paris with plenty of feeling for Mozart's musical-dramatic drive.

Later this season, the Opera Bastille will present its new production with a heavyweight cast headed by Bryn Terfel and Jose Van Dam as the Don and Leporello. No matter — the Comique has shown that there is room for more than one "Don Giovanni" in the same

BOOKS

THE RETURN OF LITTLE BIG MAN

By Thomas Berger. 432 pages. \$25. Little, Brown.

Reviewed by Michael Dirda

TO READ a sequel to a I favorite novel is to ask for whorehouse, then gives np disappointment. Instead of that well-paying job to teach taking the new book on its at a religious boarding school own terms, we constantly find for young Indians. At this last ourselves comparing it with its illustrious forebear.

I still could not resist read-

Western epic — surely an comes to women. Eventually, American classic — recounts following a compromising the picaresque adventures of moment in the girls' dorm-Jack Crabb, a preacher's son itory, Jack flees the Indian reared by the Cheyenne, who school and joins Buffalo becomes the only white survivor of Custer's Last Stand. Narrated by Crabb in a voice berry Finn, it stands securely as one of the best works of humane, tragic, altogether

Man" is just about perfect. But an epilogue - written by the supposed editor of Crabb's memoirs, Ralpb Fielding Snell - hinted that there might be more adventures to come. "The Return of ates Jack's ingratiating voice Little Big Man" describes an- but be shifts the focus from other period of Jack Crabb's Story to History. That is, in

colorful life, from roughly his mid-30s to his early 50s. ages to witness, some of the tory's bystanders, with occamost cinematic moments of sional glimpses of famous Western history: In Dead-wood, for instance, he is hired to guard Wild Bill Hickock's ger piles on the historical figback while the gunfighter ures and events, so that lack plays poker, but fails to pre-seems merely a device to vent his friend from being carry us from one celebrated

the McLaurys and Billy Clan-

Bill's Wild West sbow. self-mythologizing sounds like that of an aged Huckle- rather like these very memoirs, or at least those of "Little Big Man," which framed its narfiction of our time - funny, rative so that readers remained uncertain wbether Jack was telling the truth or one whop-As it stands, "Little Big per after another. "The Retum" plays down that ambiguity, and we are meant to take

where the book runs into trouble. Berger faithfully re-cre-"Little Big Man" we followed Jack's own dis-In these years Jack man- aster-prone life as one of his-

Jack falls in love with a severe young teacher, Amanda Teasdale, but is too shy to speak to was hoping against hope, in realistic and even cynical part because of my deep love about most aspects of life, in for "Little Big Man" (1964). both books Jack tends to sen-That immensely engaging timental idealism when it

And this, in its way, is

shot dead. He pals around name or exploit to the next. ten scene of pathos, nobility with the charismatic Bat Masterson in Dodge, avoids a clearly done an enormous amusing visit of Edward, bateful Wyatt Farn and Doc Holliday in Tombstone, American West and Buffalo ton at the O.K. Corral.

ing Thomas Berger's "The a lady so obviously superior imagines Jack trying, unsnc-Return of Little Big Man." I to him in every way: Though cessfully, to tell various

Buffalo Bill's flair for

Jack's accounts as gospel.

hateful Wyatt Earp and Doc amount of research on the Prince of Wales, to the Wild watches the gunning down of Bill's travels. Berger never demess between Jack and develops a compelling plot, one with action, dialogue and For a while he tends bar in a suspense. Instead he trots out accounts of Wyatt Earp's vi-

> ciousness and Annie Oakley's married life or descriptions of the Chicago World Fair. Berger does struggle with this problem: To add narrative energy to the novel he people the truth about the battle of the Little Big Hom. To add warmth, he gives Jack a mangy and devoted dog to love. Eventually, he even brings back the high-toned beauty Amanda Teasdale and

> makes her reappearance in Jack's life something of a leitmotif. But that relationship takes too long to flower, and there are stretches when the novel seems a chronology of Buffalo Bill's triumphs in America and Europe.

And yet there are wonderful things in "The Return of Little Big Man": the death of imitable voice one more time. Sitting Bull, a brilliantly writ-

The New York Times
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on the list are not

West show; the growing ten-Amanda; the high-flown rhetoric of Buffalo Bill.

But there aren't enough of them. One tires of the drunken and unfunny floozy Katie Elder, of Jack's strange devotion to Custer's widow, of much seemingly pointless local color. Moreover, the occasional wink toward the contemporary sensibility was jarring: A wealthy young ne'er-do-well who gets away with murder is named Kennedy: conflicts erupt at the Indian school over using English instead of native languages. All these can be defended as factually accurate, but one senses the author's slightly heavy hand. Any historical novel is likely to be a reflection on the present, but that reflection should be more subtle and indirect. "The Return of Little Big

Man" is just too painstaking and earnest to be other than a novel for devoted fans. But I was glad to bear Crabb's in-

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BEST SELLERS

PARIS FASHION

At Dior, Back to the Bourgeois

By Suzy Menkes International Herald Tribune

ARIS - The gentrification of John Galliano is wondrous to behold. It seems only a moment since the fantastical imagination of the British designer spilled over his Dior shows, from the spun-sugar hair confections to the boudoir decor. All that was reduced Tuesday to a trio

of abstract African sculptures, Modigliani masks — and a bunch of knits. Sure the sweaters were grandiose; gi-

ant witch-ball bobbles of Aran stitching or feathery effects on bold shapes that sloped over narrow sand-beige skins. But seen 10 - seen 'em all. And they

kept coming, even in glitter knit over the designer's bias-cut dresses, which are still graceful, but now drained of their louche, sinuous, sensual appeal. So, strong knits. But what about clothes for work? Overalls, backless with (you guessed it) knits. For lunch?

Smart A-line Prince of Wales tailoring with (don't even ask). Or beautifully crafted perforated suede dresses. Many skirts had ribbed sutching from the knees (for matrons to shorten).

Everyone in fashion wants Galliano to have a commercial as well as critical success at Dior. But wby clip the wings

of his imagination to leave just the rich russet and teal blue African palette? The big fashion deal was that coats were fringed knit with tweed skirt. elegantly reversible.

With other houses backing off the dington Bear. He is also daring to be

bourgeois and pushing creativity to the edge. Dior bas to look to its laurels.

Ironically, the first standing ovation of his creative, original take on Dior's New Look. Out came a model, black shirt, black full skirt and purse - that unfurled into a body-hugging jacket. But don't think fold-away waterproof! These were bour-glass jackets, ingeniously seamed with zippers or with the hips shaped by metallic hoops. Whether unfurling like flawer petals from the shoulders or carried as muffs, they looked adorable.

Wattinabe's imagination had designer Martin Margiela. First came flowered. Stenciled rose patterns on full knits: softly furrowed cashmere carskirts, moonlight silver flowers embroidered on slender dresses and hair laid in tresses over wire mesh were all part of a fresh vision of femininity. Wrap and fold techniques that were

tun, tribal-pattern rugs were made into trenches, ponchos and even dresses, folded down the backbone. The designer Marc Jacobs put on a fine show, from the witty oversize backpacks and travel bags in shiny shades of purple, through highwaisted smncked skirts and pants.

After starting with a blank Vuitton canvas and a cool attitude. Jacobs has developed a signature travel theme, showing coverable coats, chic raincoats and the cutest sou wester hats since Pad-



Junya Watanabe's pack-away jacket and flowered skirt, above, and Dior's African-inspired

creative, opening the show with a blackand-white mottled fur cape.

Jacobs understands that modern style the season went to Junya Watanabe for is about making strong individual pieces, from zippered sweaters through knitted shoulder shrugs, geometric bangles in mineral colors and shoes with whisky-brown transparent beels. And don't forget the bags, from Lilliputian purses to giant hold-alls.

Hermes has another take on fashion: stealth wealth. The clothes are wbisper handsome women who model for the digans, then cumulus gray sweaters swooping into cowls. All were shown with wide, soft pants.

The Hermes version of the blanket was Wrap and fuld techniques that were once a Japanese preserve are appearing at Parisian fashion houses.

Think comfort blanket. At Louis Vuit
Then try a double coat — two layers for a cozy cover-up. Or a pair of shearling gauntlets. Or leather, softly padded or super-supple. After a quiet start at the house, with this collection. Margiela has successfully evolved his look for Hermes into noble classics.

Dries Van Noten has been subtly shifting his tack from ethnic and folkloric clothes to something more poetic and artistic. In the program notes for his fall show, the Belgian designer cited as influences Gustave Moreau and Mark



Rothko, the Renaissance and Gothic. That sounds pretentious, but the effect in the soaring vaults of the Conciergerie, tables laden with grapes and wine, was like seeing an Old Master painting come to life. The sweet-faced models came out stealth wealth. The clothes are wbisper in long, dark coats, often with raw edges, quiet, but deep-pile luxury cocooned the a flash of color in a russet skirt, bright purple gloves, or a single detachable sleeve. That intriguing theme was reinforced by sprays of fresh flowers or ribbon favors pinned to clothes or hair. It was a romantic take on simple lothes, as pointed shoe-boots peeped from long dresses. Significantly, there

were no pants in all this womanly grace. You want to see what a designer can do with lengths of fabric? Then did Olivier Theyskens have the show for you! Well, you couldn't actually see much, what with the blinking strobe lights and greasy coils of hair. But out of the murk emerged towering edifices of

cloth, worn, papoose-like, on the back: The Belgian designer is a 22-year-old prodigy who molds coats out of black leather, books and eyes scurrying like an ant colony up a fur jerkin or skirt. The show was mesmerizing, maddening but just what you want to see in Paris

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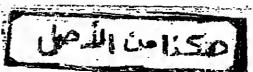
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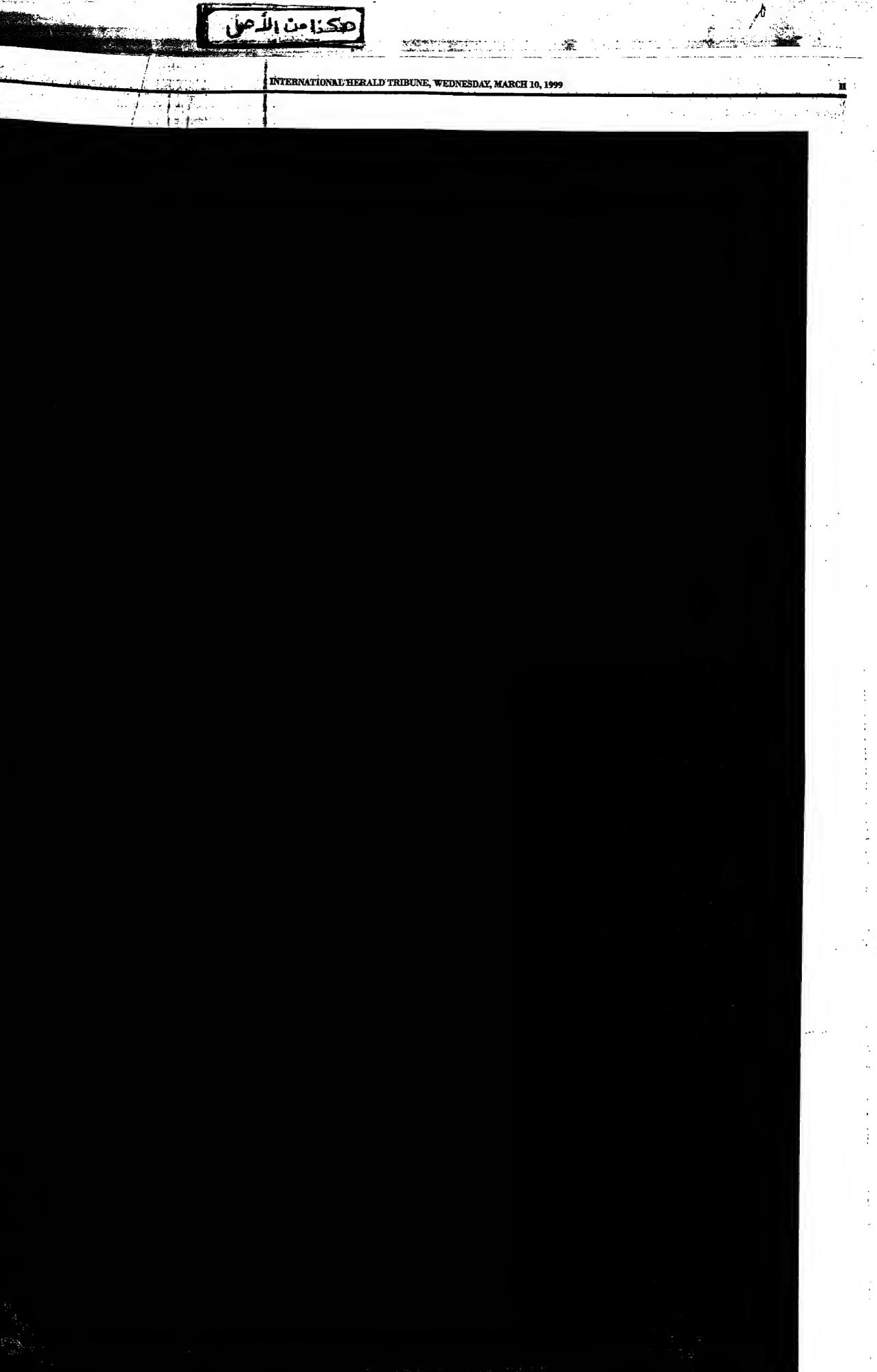


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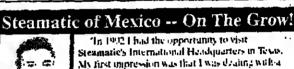
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FRANKFURT - The unemploy-

ment rate fell to a two-and-a-half year

low of 10.5 percent in February, Bundes-

bank figures showed Tuesday, indica-

ting that the global economic slowdown

had not yet hit the job market in Europe's

WEDNESDAY, MARCH 10, 1999

PAGE 13



With Big PC Makers

By John Markoff

SAN JOSE, California - Sony Corp. may have announced a sweeping overhaul of the company's identity Tuesday. But the transformation of Sony — and the battle for control of the future of computing between the per-sonal-computer industry and con-sumer-electronics manufacturers

ecurive of the Japanese giant.

Briefing Mr. Idei on the importance of the Internet, Peter Scaley, a Sony consultant, noted that the year before, the dollar volume of PC sales had

United States for the first time.

"He stopped the meeting and challenged my data," Mr. Sealey recalled.

But if Mr. Idei's education about the rapidly expanding world of personal computing was abrupt, Sony's con- its brand name, Sony has come to version to a digital products strategy

Mortal Kombat

As the personal computer and consumer electronics industries converge, Sony and Microsoft find themselves clashing in a number of markets. At the core of the fight are rival operating systems - Sony's new Aperios software and Microsoft's Windows CE. But there are also rival philosophies. Microsoft thinks that the desktop PC will be the control center for

a nome's digital appliances.

from a manufacturer of consumer elec-

tronics to a provider of digital network

services, a plan that it said would eliminate 17,000 jobs and close 15 manufacturing plants around the

For decades the world's pre-eminent consumer electronics maker, Sony has

now realized that its core business is

being profoundly transformed by di-

gital electronics in ways that pose both

pany that long relied on the elegance of

its industrial design and the prestige of

recognize, its executives say, that a new

era is arriving in which clever software,

above all else, will determine whether

products from televisions to telephones

- but to help get themselves back on schedule. This factory has sig-

nificantly improved its efficiency

. A decade after American automakers

and many other companies began adopt-

ing just-in-time delivery and other

learn how it's done.

In a huge strategic shift for a com-

Sony says the brainpower

will be in the appliances

themselves, making the

opportunities and threats.

home PC obsolete.

INTERACTIVE TELEVISION

The initial battleground is a new set-top box that will be available to some cable subscribers later this year. Cable operators will decide whether to install Aperios, Windows CE or other software.

Sources: Yankee Group; International Data Corp.; Fore

nputer industry.

succeed or fail in the marketplace.

That sets the stage for a grand con-

frontation. On one side are Sony and its

peers in the consumer-electronics business. On the other is the personal-

Microsoft Corp. and Intel Corp., the twin engines of the PC world, are

eagerly looking for new markets in which to expand.

in the living room—a box they say will bring the power of the Internet to tens of millions of TV viewers who do not

now use computers — they have a vast

range of Windows-based products on

the drawing board, including toys,

phones, even computers for the car that

will do everything from read alood to

help you with navigation.

Beginning with the cable set-top box

Proj. units sold, 2002:

head to head.

DIRECT BROADCAST

TVs with built-in

be on sale, pitting

SATELLITE TELEVISION

Within a year, the first

satellite receivers will

Aperios and Windows

Proj. units sold, 2002: **6.B MILLION**



SMART" PHONES Sony and Microsoft have alliances with Qualcomm to develop phones that can download from the Web, keep calendars and electronic phone books and other mimic PCs.

powerful business model of the per-

sonal-computer industry in consumer

At the center would be Windows CE,

scaled-down version of the Windows

desktop software that is now familiar

mostly in palm-size computers, where

it has been slow to win converts. It

would be the foundation for tens of

thousands of vibrant software appli-

cations and an intensely competitive

market of hardware makers all vying to

Moreover, the PC itself would con-

trol an ever-expanding world of "smart" peripherals — TVs, audio

systems, telephones, kitchen appli-

ances and other electronic gadgets.

"This isn't the post-PC era -- it's

compete on price and performance.

Proj. units sold, 2002;



Sony next year will sel Playstation II, a new version of its game system that can serve as a Web browser and play music and video disks. Sega's new Dreamcast machine will use Windows CE.

> Proj. units sold, 2002: 18.5 MILLION

Microsoft's strategy is to recreate the the PC-plus era," said Craig Mundie,



ELECTRONIC TOYS Microsoft sells interactive versions of Barney and other characters, powered by Windows CE Sony will soon sell controlled by Aperios.

Proj. sales, 2002: \$1.86 BILLION

Microsoft's senior vice president for consumer strategy. "The PC may be simpler to use in the future, but it will

still broker lots of home services and

That vision presents a potentially

grim future for Sony's \$38 billion

consumer-electronics business. As a

global standard-setter, Sony has seen

high margins and big market shares. But the "PC-ization" of consumer

electronics would most likely mean a

world of increasing uniformity and low

margins like those that computer

Sony's view of the digital future is

far more decentralized. Its product de-

See BATTLE, Page 14

makers have experienced.

control other smart appliances."

biggest economy.
Seasonally adjusted figures showed the jobless total fell by 6,000, compared with a drop of 66,000 in January, when the jobless rate was 10.6 percent.

The figures show that the German labor market "wasn't affected as much by the global slowdown as we expected," said Holger Fahrinkrug, an economist at Warburg Dillon Read. "There will be less pressure on the ECB to cut rates," he said. referring to the European Central Bank.

Still, the jobs report is unlikely to take pressure off Chancellor Gerhard Schroeder, who was elected last year after pledging to slash unemployment especially as the government's own jobless figures, which unlike the Bundesbank numbers are not adjusted for seasonal variations, showed unemployment rose to 11.6 percent from 11.5 percent. Economists said unemployment in

Germany could rise in coming months as a result of union-negotiated contracts that will increase wages above the rate of inflation for millions of workers. Some of the jobs that were created

were the result of government-funded programs, analysts said. Meanwhile, many companies have said they are reluctant to hire. Economists said the German economy,

which shrank by 0.4 percent in the final quarter of 1998 from the third quarter, was struggling to create new jobs.

Consumer spending, however, is still buoyant in both Germany and France. economic reports have showed.

The consumer confidence index in France was unchanged at minus seven in February, the same as in January and the highest in the 12 years that the index has existed, a government report released Triesday showed. Consumer spending accounts for about 60 percent of gross domestic product in France.

(Bloomberg, Reuters)

To Grips With

began as early as July 1995, shortly after Nobnyuki Idei became chief ex-

surpassed that of television sales in the

'I think it was a shock to him that this had happened.

On Tuesday it announced a transformation in the company's identity

By Andrew Pollack

New York Times Service

rears ago, the aerospace division factory

of B.F. Goodrich Co. fell so far behind

schedule producing parts for the new Boeing 737-700 that Boeing Co.

ing down here helping us get on sched-ule," recalled Martin Lodge, an exec-

'We had rafts of Boeing people com-

threatened to terminate the contract.

chula VISTA, California — Two

Imitating Automakers, Aerospace Goes 'Lean' to Gain Efficiency

INTERNATIONAL MANAGER

using so-called lean production, the colconcept to cut costs in the face of relection of techniques first perfected by duced military spending and stiff com-Toyota Motor Corp. And Boeing, facing petition from the European commercialserious production problems of its own, has sent more than 300 people here to aircraft maker Airbus Industrie.

Executives are now bandying about Japanese terms such as kaizen (continuous improvement) and kanban (the justin-time system), and they are applying them well enough to achieve some startive at Goodrich. "lean" manufacturing techniques, the tling efficiency gains in an industry long Today, Boeing people are still coming aerospace industry is embracing the known as much for high costs and wasteful procedures as for cutting-edge technology.

At the Boeing factory in Long Beach, California, for instance, production of the C-17 military transport has been doubled in the past three years without an increase in staffing. That has helped save the Pentagon hundreds of millions of dollars, said Richard Harstad, the Air Force's chief of manufacturing and quality for the C-17.

Industry executives and analysts said aerospace manufacturers had lagged in adopting lean techniques mostly because

Pentagon contracts generally reimbursed them for their costs and they have been insulated from the foreign competition that has hit other industries.

"The automobile industry had the advantage, if you can call it that, of an early threat," said Thomas Allen, a professor of management at Massachusetts Institute of Technology who is co-director of the Lean Aerospace Initiative, an MIT program supported by the Air Force and many aerospace companies to spread

See AEROSPACE, Page 14

HIPPON

· /=:



Rajiv Chandrasekaran Washington Post Service WASHINGTON - Their products run most of the world's personal computers. Their chairmen are among the best-known industry leaders of our time. Their senior employees have all become millionaires.

But when it comes to dealing with antitrust issues, the computer chip giant, Intel Corp., has decided that it does not want to go down the same path as the software titan Microsoft Corp.

On Monday, the eve of its trial, Intel agreed to a settlement of charges brought against it by the Federal Trade Com-

At issue was Intel's refusal to share technical details of its microprocessor chips with companies that build computers unless those companies agreed to turn over their own technologies in ex-change. The government suit asserted that such practices violated federal an-

As part of the proposed deal, Intel agreed to abide by an order that probibits it from pressuring computer manufacturers to turn over their own technology n exchange for technical information about Intel's chips, people involved in

the case said. Although government officials and Intel executives said they could not disclose the precise terms of the proposed settlement until it had been formally submitted to the Federal Trade Com-mission, officials did say that it achieved

the purpose of the lawsuit.

The commission sought to establish a principle, and the staff believes the proposed agreement achieves that goal," said Victoria Streitfeld, the agency's chief spokeswoman. "The staff got the relief it wanted."

In its legal battle with the Justice Department and 19 states, Microsoft has refused to cede an inch — no matter what the fallout. In negotiations before the suit was filed, the company indicated

Intel's Market Share for Microprocessors .91 92 93

unwilling to make any significant changes to its dominant Windows opcrating system, the software at the center

As its trial began, Microsoft refused to apologize for the sometimes-tough language its employees have used in internal electronic mail messages to describe competitors, telling the judge hearing the case that "the antitrust laws are not a code of civility in American

That brash attitude, on a few occasions, appears to have irritated the fedcral judge hearing the case and has led to a spate of negative publicity outside the

And because the government has expanded its case from a narrow dispute over Internet browsers to a broad assault on the company's business practices, Microsoft also could face the prospect of aggressive sanctions should it lose. This could take the form of a corporate breakup or a forced disclosure of the computer code that makes up Windows software.

Those are risks, it appears, that Intel

did not want to take. By announcing that it will settle, Intel, already reeling from criticism about privacy problems with its new Pentium III chips, avoids a weeks-long stream of bad

to government lawyers that it would be antitrust lawsuits. Nor will Intel have to worry about a long court fight distracting its executives.

"The Microsoft trial has taught us how unpredictable and dangerous trials are, particularly in the way they provide a forum for reviewing the innermost details of a company's decision-making and potentially rupturing relationships with customers and other important industry participants," said William Kovacic, a former lawyer with the Federal Trade Commission who now is a law professor at George Washington Uni-

"In the Intel case, they presumably made a judgment they could live with some of what the FTC wanted," said Robert Litan, a former Justice Department antitrust official who now is the director of economic studies at the Brookings Institution. "It wasn't worth exposing their dirty laundry to Amer-

Intel has long taken a less confron-tational approach than Microsoft in dealing with antitrust issnes. Intel executives have maintained a constant dialogue with antitrust enforcers, while Microsoft and the Justice Department rarely talk outside the courtroom. Intel has internal antitrust policies and instructs its ex-ecutives about the sorts of things they cannot do and say, given the company's press as competitors allege they have been roughed up by the company. Intel also will not risk being declared a monopoly by the commission, a finding that could open the door to a host of private cannot do and say, given the company's dominant position in the market. At Microsoft, its executives have testified that such advice is given only on an ad hoc basis.

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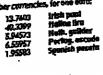
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o Kapadali. National Bank of New York, 1998

THE AMERICAS



Very briefly:

 H.J. Heinz Co.'s third-quarter earnings fell 35.9 percent, to \$120.6 million, after the company took a restructuring charge and had related costs primarily for consolidating the company's Ore-Ida Foods and Weight Watchers Gourmet Food Co. units. Venture Holdings Trust, a U.S. maker of aotomotive plastics, agreed to buy a car parts unit of Germany's Kloeckner-Werke AG for 850 million Deutsche marks (\$473.6 million) in add European clieots to its U.S. customer base.

• Red Hat Software Inc., a closely held company that sells a version of the Linux operating system, said Compaq Computer Corp., International Business Machines Corp., Novell Inc., and Oracle Corp., each took minority equity stakes in the company. Financial terms were not disclosed

· Borders Group Ioc.'s fourth-quarter profit rose 9.9 percent, to \$86.7 million, on strong sales at its biggest bookstores. • General Electric Co., the owner of NBC, is buying a 19.9 percent stake in ValueVisioo, a home-shopping cable oetanese interest rates might rise.
Mr. Hayami, speaking before
the Finance Committee of the
lower house of Parliameot, said, work, for \$56 million. Bloomberg, AP, NYT

Fluor Cuts Back to Lift Profits

IRVINE, California -bid to lift profits.

The company has about to company units, 61,000 employees. It said it

increase earnings

Fluor will be organized in-Fluor Corp., the worldwide to four business groops: Fluor engineering and construction Daniel, its engineering, procompany, said Tuesday that it curement and construction planned to reorganize, cutting business; A.T. Massey Coal 5,000 jobs and taking a Co.; Fluor Global Services charge against earnings, in a and Shared Services, which will deliver essential services

would reduce its customer offices and take a secondroster by about 2,000, which quarter charge of \$130 milis expected to reduce sales but lion.

Earnings Fears Hit Tech Stocks Despite Microsoft Surge

NEW YORK - Stocks fell Tuesday amid speculation that the earnings of some leading technology companies would be disappointing.

But Microsoft stock surged oo a report it was seeking to settle its lawsuit with the government.

The Dow Jones industrial average closed 33.85 points lower at 9.693.76. The Standard & Poor's 500 fell 2.89 points to 1,279.84. The Nasdaq composite, which contains many technology issues, dropped 4.68 to 2,392.94. Losing issues beat gaining ones by a 3-to-2 ratio on the New York Stock Exchange.

Microsoft, which surged 2 13/16 to Intel fell 4 5/16 to 115 5/16. 161 13/16, had led technology shares higher earlier. The Seattle Times, citing unidentified people close to the

U.S. STOCKS

situation, reported that the company and the government were exploring ways to settle antitrust charges. But after the chipmaker Advanced Micro Devices said it would cut 300 jobs and post a fourth-quarter loss because of production glitches, spec-

The bond market was bolstered after the chairman of the Federal Reserve Board, Alan Greenspan, said

in a speech that the U.S. economic expansion was "exemplary." 'Growth of output has remained

vigorous," he said, "unemployment is lower than it has been in nearly 30 years, and yet, despite the tautness in labor markets, there have been oo obvious signs of emerging The price of the benchmark 30-

ulation emerged the market leader, Intel, also would issue a profit warning. AMD fell 1 7/16 to 17½, and to 5.53 percent from 5.59 percent.

Alcoa, the world's largest aluminum producer and a Dow component, fell 1 13/16 to 37%. The No. 2 producer, Alcan Aluminium, said firstquarter profit would be less than expected because of low prices and a recession in Brazil. Alcan fell 18 to 23

Lycos soared 12% to 96% after the chief executive of CMGL David Wetherell, quit the Internet search service's board, saying the terms of Lycos's pending acquisition by USA Networks were inadequate. CMGI, a venture capital company, is the largest shareholder of Lycos. (Bloomberg, Reuters)

BATTLE: Sony Grapples With Digital Era:

■ U.S. Productivity Surges

The productivity of U.S. workers rose at a 4.6 percent annual rate in the. final three months of last year, the

best showing in six years, news agen-cies reported from Washington. The revised increase in output per hour of work at nonfarm busine reported by the Labor Department, was larger than the initial estimate last month of 3.7 percent. For all of

1998, productivity rose 2.2 percent.
Separately, wholesale inventories
fell 0.2 percent during the month to \$286.26 billion, the Commerce Department said. (AP, Bloomberg)

IMF Sets Tough Conditions for Brazil

RIO DE JANEIRO - A revised loan agreement between the Brazilian government and the International Monetary Fund commits Brazil to more stringent conditions for receiving \$9 bil-

lion in further aid.

NEW YORK -- The dollar fell

against the yen Tuesday as ex-

pectations for rising interest rates

in Japan increased the allure of

The yield on the benchmark

Japanese government bond maturing in 2008 rose seveo basis

points, or hundredths of a per-

centage point, to 1.7 percent after the governor of the Bank of Japan,

Masaru Hayami, suggested Jap-

'It's fully possible that Japan's

yen-denominated investments.

of the real, the national currency. It also requires Latin America's largest economy to speed up the privatization of nationally owned businesses

The new accord, announced Brazil and the IMF originally artificially high against the dollar Monday after more than a month signed a \$41.5 billion rescue led to a decline of nearly 40 per-of talks, requires Brazil to propackage in November aimed at cent in the currency's value. This Brazil and the IMF originally duce a bigger budget surplus than helping the country avoid the kind caused increases in interest rates

Rising bond yields could speed

fore the fiscal year closes March

31, as investors get more benefit

FOREIGN EXCHANGE

from bring money back to Japan

and investing it there.
In 4 P.M. trading, the dollar

fell to 121.150 yen from 121.585

against the dollar, rising to \$1.0894 from \$1.0885.

The euro was little changed

The pound rose to \$1.6190

The dollar rose to 1.4668 Swiss

francs from 1,4631 francs.

veo Mooday.

from \$1.6080.

Yen Rises Against Dollar

was initially agreed upon and re-stricts the central bank's ability in aged Asia and Russia. The accord spend dollars defending the value was aimed at getting Brazil to reduce spending and ease increasingly burdensome debts.

Bot the Brazilian decision in January to end controls that had kept the value of its currency and inflation and required a resetting of the IMF's targets.

The new deal calls for Brazil to increase its budget surplus, excluding interest payments on debt, to 3.1 percent of the gross domestic the pace of fund repatriation be- product, compared with 2.6 percent agreed upon previously.

It also requires Brazil to reduce overall public debt to a level below the 46.5 percent of the gross domestic product specified in the original agreement. The new level has not been specified.

Some economists said the goals were plausible and that the mere fact that a deal had been struck should belp caim investors.

The market reaction Tuesday was mixed. The real gained, with the dollar falling to 1.93 reals from 1.97 oo Monday. But the Bovespa stock index fell 3.03

Continued from Page 13

signers sniff that the PC is the obsolete mainframe' of the home.

Instead, they envision homes in which dozens, even hundreds, of smart appliances are seamlessly interconnected, perbaps without a PC involved at

'Microsoft is going to have to change their business model to be effective in the world of consumer electronics," said Mario Tokoro, the computer scientist who is president of Sony's Information Technology Laboratories and a top adviser to Mr. Idei on computing

and networking issues. The system envisioned by Sony would let the consumer control a digital videocassette recorder from the television set, or vice versa — or control

them both from a cellular phone. In recent demonstrations, the company has shown an integrated audio and video system tied together by I-Link, a high-speed digital connection to the cable box.

It will allow people to watch movies on demand, pause a live basketball game in mid-jump shot to go to the kitchen for a sandwich - then watch the rest of the game on delay — or transmit a home video to a friend oo the other side of the country.

Moreover, the oew PlayStation IL, (NYT, WP, AFP) arrive in the United States oext year, troduce this year.

would connect to the network, serving as a digital versatile disk, or DVD. player, and perhaps even as a cable set-

top box.

The collision of these competing visions has resulted in what one Sony executive calls a "strategic dance. Publicly, Sony has announced ambitious strategic alliances with Microsoft in the last two years to design consumer electronics products. It has been quietly reshaping itself into what is likely to soon become Microsoft's most dan-

gerons competitor.

The relationship is fearful and respectful and wary, said Mr. Sealey, the

consultant to Sony.

One measure of Sony's commitment to a digital future is that by the end of next year, it plans to employ an equal oumber of software and hardware engineers, according to Akikazu Takeuchi, president of Sony's Platform Software Development Center, which has recently built software laboratories in Japan, Europe and the United States.

The outlines of Sony's new softwarecentric strategy are already clear at the company's vast development and mar-; keting center in Silicoo Valley.

A rapidly growing group of software, programmers is putting the finishingtouches on an operating system called Aperios, which is intended to control digital TVs, cellular phones - even introduced last week and scheduled to robot "pets" that Sony plans to in-

AEROSPACE: Imitating Automakers, Aircraft Manufacturers Go 'Lean' to Streamline Production

interest rates will go up.

Fluor Daniel will close 15

Continued from Page 13 lean manufacturiog techniques across the industry.

The aerospace industry haso't until oow had that kind of a threat.' The term "lean" is vaguely defined and refers to many

Tuesday, March 9

Grains

ORN (CBQT)

High Low Latest Char Opint

focuses on manufacturing is providing, things in smaller batches to Done corr meet demand, rather than in ufacturing not only saves large quantities. Parts are detime and money directly but livered just as they are needed, also helps a company quickly and problems are corrected as they occur. The idea is to cut production process. out operations, such as storing

INTERNATIONAL FUTURES

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Done correctly, lean manidentify flaws in its overall

techniques. But it generally tribute to the value a company ers would call common sense, chemicals, hoses, gauges and

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Northrop Grumman Corp. videotaped a mechanic whose job was to apply about 70 feet of tape to the B-2 bomber. The mechanic walked away Still, what the aerospace from the plane 26 times and parts, that do not directly con- industry often calls lean, oth- took three hours to gather the

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soch as preparing kits of nec-essary tools in advance. other material she needed just to start. When the factory made kits with all the needed parts, the mechanic did not zation, said most companies have to leave the plane at all, and the time the job took fell

to 1.62 hours from 8.4 hours. Cutting the time needed to design and manufacture changes aerospace products could have great economic impact. It now takes so many years to design and build a fighter that the military threat can change in the meantime. Commercial aircraft take so long to build that Boeing has to order parts but most executives are not and materials years in ad-ready for that, said Mr. duction rate, as happened re-

will save is still open to question. Despite some claimed tories, it is difficult to separate any cost savings from those achieved simply because of big industry mergers

and layoffs. Certainly, lean production is no panacea. Boeing is suffering from major production problems despite supposedly having used some lean techniques for years. Skeptics say leanness could become just the latest in a series of short-lived cost-cutting initiatives by the Pentagon and its contractors.

Associates), the 1990 book that introduced the term and crystallized the Toyota production system for American managers, said acrospace was the industry most in need of lean approaches.
"It's the most sclerotic in-

now runs the Lean Enterprise Institute, a nonprofit organiwere merely "spray painting" lean techniques onto their existing procedures in-stead of making fundamental

"Whole square miles of factories have to be blown

up," he said.
Pratt & Whitney, the engine maker owned by United Technologies Corp., revived itself with such a radical shift. as a consultant to Boeing for cently, it and its suppliers are being, as he put it, "disrupt-stuck with unneeded material. ive and obnoxious."

While Boeing would not Womack's departure, it said it. successes in individual fac- remained committed to lean,

The Toyota system, signed for factories that make hundreds of thousands of cars a year, is not perfectly adaptable to an aerospace factory that might make only a dozen highly complex objects annually.

In acrospace, which generally does not use moving assembly lines, becoming lean means putting jobs that follow in sequence next to one another.

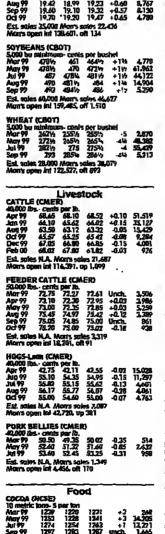
James Womack, co-author In many aerospace facto-of "The Machine That ries, parts move in big batches Changed the World" (Rawson to various centralized production centers - from metal; pressing to heat treating to; cleaning and so on. Parts can travel miles, either within a factory or around the country. to different factories. It can take years from the time a party is started until it ends up in a functioning airplane.

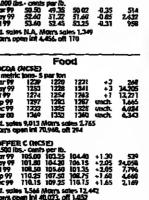
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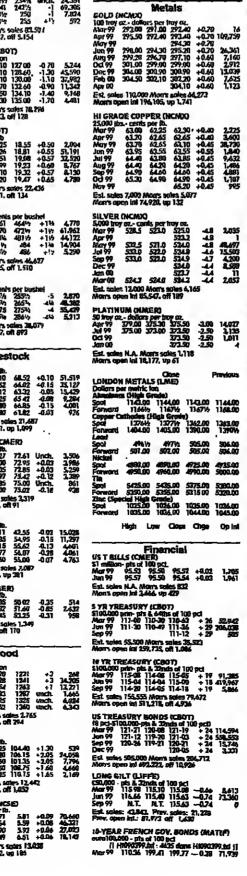
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EUROPE

Aerospatiale **Profit Falls** On Hedging

PARIS - Aerospatiale said Tuesday its 1998 profit fell 27 percent as it set money aside to pay for restructuring and to bedge risks on contracts and currency

The company also said it would separate its activities into four units beginning April 1, "to allow for the restructuring of the European aerospace and defense industries."

Profit at the French aerospace and defense company fell to 1.04 billion francs (\$172.7 million) from 1.42 billion francs last year. The company took a provision of 1.4 billion francs for its Airbus and turbopropeller activities, 699 million francs for currency risks and 517 million francs for restructuring Aerospatiale said that its Airbus

activities contributed a loss of 68 million francs in 1998, compared with a profit of 1.13 billion francs the year before

The company hedged against risks linked to potential defaults by clients. For example, Transportes Acreos Regionals SA of Brazil could have trouble paying for 38 lanes worth about \$1.5 billion it ordered last year after the Brazilian

currency slumped. . The 2.6 billion france in charges overshadowed record deliveries of 229 Airbus aircraft worth \$13.3 billion. Aerospatiale owns 37.9 percent of Airbus.

The company said it would create four separate units for its main activities - Airbus planes, turbopropellers built by Avions de Transport Regional, missiles and rocket (Bloomberg, AFX)

Ahold to Buy Pathmark Stores

ZAANDAM, Netherlands ket holdings by purchasing Path-mark Stores Inc. of New Jersey for Roquas, an analyst at ING Bar-1.6 billion euros (\$1.76 billion) including the assumption of debt.

Ahold also reported that fourth-quarter profit rose 36 percent from a year earlier, to 174.7 million oew shares will be."
euros, bolstered by the purchase
last year of Giant Food Inc. of
acquire all the share Landover, Maryland. For 1999, it forecast profit growth of between 15 percent and 20 percent, at constant exchange rates.

The Dutch company became the fifth-largest food retailer in the United States after completing the \$2.8 billion purchase of Giant in October. It now gets more than half of its sales from the United States. are in Carteret, New Jersey, has cent.

sition in the Northeastern U.S., Royal Ahold NV said Tuesday it where Ahold already has other acwould expand its U.S. supermar- tivities, and the integration will ings. "The question is whether there will be any regulatory problems with the Federal Trade Com-

حكذامن الأعل

Ahold reached an agreement to acquire all the shares outstanding of SMG-II Holdings Corp., a holding company that controls Pathmark through its subsidiary Supermarkets General Holdings Corp. Ahold will pay about \$250 mil-lion for SMG-II's stock and will

mission and what the effect of any

mark's debt. Pathmark, with beadquarters

assume about \$1.5 billion in Path-

'This looks like a good acqui- 132 supermarkets in metropolitan New York City, New Jersey, Pennsylvania and Delaware. Ahold said they had 1998 sales of \$3.7 billion.

> Ahold's shares closed down 95 cents at 32.55 euros.

Further detailing its earnings. Ahold said profit rose last year to 547.2 million euros from 423.8 million euros in 1997. It said Jan. 8 that 1998 sales rose nearly 16 percent, to 26.5 billion euros, helped by revenue from acquisitions in Latin America and the United States.

In South America, Disco Ahold International Holdings NV, a 50-50 joint venture with Grupo Velox of Argentina, completed a tender offer late last year for Disco SA, raising its stake in Argentina's leading food retailer to 90.3 per-

Lawsuit Deal In U.S. Trims **BAT's Profit**

Bloomberg News
LONDON — British American Tobacco PLC said Tuesday its pretax profit slid 16 percept in 1998. largely because of a legal settlement reached in November by tobacco companies and state governments in the United States.

BAT, the second-largest tobacco company after Philip Morris Cos., also warned that its first-quarter profit would probably be lower than that of the 1998 quarter.

Pretax profit last year feil to £738 millinn (\$1.19 billion) from £875 million in 1997. BAT said it spent £613 million on costs related to the settlemeot and that a 41 percent drop in profit from Asia also reduced earnings. Sales slipped to £17.38 billion from £17.83 billion.

"It's clearly going to take a year or two for their earnings growth to get back on track," said Trevor Moss of Robert Fleming Securities The results will dampen enthusiasm in the short term.

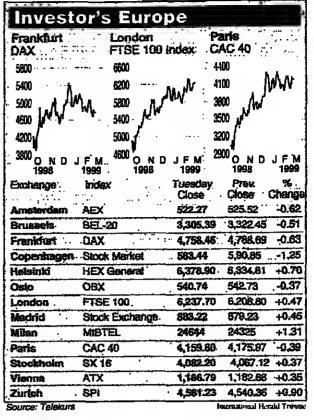
The company said in January that it would buy Rothmans International from Cie. Financiere Richemoot AG for £4.6 billion in stock. BAT's stock closed at 557.5 pence, down 15 pence.

Zurich Plans Heftier Charge

Zurich Financial Services AG said it would take a \$2.4 billion The commission is seeking a code charge, \$1 billion more than it forecast in September, to integrate BAT Industries PLC's financial-services unit, Bloomberg reported from

get of 15 percent growth.

Shenzhen



Very briefly:

 European auto sales will fall at least 5 percent this year and as mucb as 20 percent - or about 3 million cars - next year, the Economist Intelligence Unit predicted. The declines will hit PSA Peugeot Citroen and Renault of France and Fiat SpA of Italy particularly hard, the research group said.

· Porsche AG's first-half net profit rose 68 percent from a year ago, to 60 million euros (\$65.3 million), as sales rose 30 percent, to 1.3 billion euros, and the number of sports cars sold rose 26 percent, to 18,782.

 Baver AG's 1998 net profit rose 8.8 percent, to 3.2 billion Deutsche marks (\$1.78 billion), as sales slipped 100 million DM to 54.9 billioo DM amid low prices. The chemicals company plans to buy back as much as 10 percent of its shares.

·Saab Automobile AB said General Motors Corp. would open talks July 31 on buying the 50 percent of the Swedish AFP, Bloomberg, AP carmaker it does not yet own.

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Socialists Target High Euro-Zone Fees

By Barry James International Herald Tribun

BRUSSELS --- The powerful Socialist group in the European Parliament on Tuesday demanded legislation to prevent banks from charging excessive amounts to exchange bank notes within the European single-currency zone.

The conversion rates among the 11 countries adopting the euro were irrevocably fixed before the currency was launched on Jan. 1, removing foreign-exchange risks. The separate currencies in effect became units of the euro.

cases that are as much as the ex- zone, including charges for crosschange-rate commissions they charged previously.

The chairwoman of the Parliament's monetary subcommittee, raided several banks seeking evi-Christa Randzio-Plath, said the fees deoce of collusion. The commission ranged up to 3.75 percent at a leading German bank. Many banks impose minimum

even charges twice as much for exchanging Italian lire as it does for French francs or Deutsche marks. In a motion to be debated Wed-

nesday by the Parliament, the Socialists expressed "deep concern as to the high level of bank charges for Nevertheless, banks are continu- cooversion transactions between ing to charge handling fees in many currencies participating in the euro enforce reasonable pricing.

FT-SE 160; 6237.70 Provious: 6208.80

7.85 4.84 8.78 5.89 7.87 1.45 6.64 8.99 12.67 8.80 5.30 3.53 1.39

says that banks should be able to recover reasonable handling costs, but has attacked far higher fees for fees, and one bank in Luxembourg cross-border transactions than for those within the same country.

The European Commission, the

EU's executive body, recently

border payments.

of conduct by the end of next month to ensure transparency of bank But the Socialist group said it may be oecessary to supplement this

voluntary move with legislation to

But the company said 1998 profit before charges would exceed its tar-

WORLD STOCK MARKETS **Tuesday, March 9** Prices in loc

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Very briefly:

- Hong Kong's foreign currency assets slipped to S89.8 choose the billion in February from \$90.1 billion in January, the Hong alternatives. Kong Monetary Authority said.
- · Cathay Pacific Airways, Hong Kong's only long-haul carrier, said in its internal newspaper that revenue in January exceeded the airline's target by 4 percent. The airline will report its 1998 earnings Wednesday. For the first six months of last year. Cathay posted a loss of 175 million Hong Kong dollars (\$22.6 million), its first loss in 35 years.
- Nippon Telegraph & Telephone Corp. will take more steps to fix the year 2000 computer problem before a reorganization planned for July 1.
- Fitch IBCA is likely to review its ratings on all Singapore's banks, said Sam Chin, the credit-rating concern's managing director and banking analyst.
- Seven Network Ltd., an Australian television broadcaster. reported a 66.3 percent decline in net profit, to 22.07 million Australian dollars (\$13.86 million), reflecting fierce competition for programming, the size of its film library and the rising costs of programming rights.
- China's cleanup of bad loans at its four biggest banks will cost it 500 billion yuan (\$60.39 billion), said an executive at China Construction Bank, which is setting up the country's first bad-debt unit, Sbinta Asset Management Co., to tackle its nonperforming loans. AFP, Retters, Bloomberg, Bridge News

Thailand Sets China Lifts Dollar-Savings Rate to Stem Outflow **Incentives for** Sale of Banks

BANGKOK - Thailand said Tuesday that it would subsidize the sale of five state-owned banks and allow investors to bid for all or just the best parts of seized lenders such as Bangkok Metropolitan Bank PCL and Siam City Bank PCL

The cabinet approved broad mea-sures to make the sale of the banks more attractive, including a plan to allow the central bank to subsidize the banks' performance after they

are sold. The amount of loss the government would absorb would be determined by the winning bids. Citicorp. General Electric Capital

Corp. and Standard Chartered PLC have expressed interest in buying Thai banks. A key condition is that the gov-

ernment cushion the downside of mounting defaults. We are offering alternatives to

stimulate interest, said Akrapol Sorasuchart, the chief government spokesman. 'The government will choose the best bids based on these

The government owns five of the country's 13 commercial hanks. Its aims to sell three of those Bangkok Metro, Siam City and Radanasin Bank PCL — by year-end A majority of Krung Thai Bank PCL and BankThai PCL are earmarked for sale by the end of 2000.

The cabines approved a plan to allow investors to buy the banks outright, with the central bank sharing losses based on the purchase formula. The government would also share in any gains from unexpected collections.

An alternative would be for the banks to separate their delinquent loans into separate units, or "asset management corporations," which would buy those assets by issuing bonds to the bank. The central bank's Financial Institutions Development Fund would retain ownership of the asset management corBELING - China raised interest

rates on U.S. dollar savings Tuesday by almost a percentage point, aiming to stern an outflow of hard currency as international banks cut credit lines amid a string of cor-

porate failures. The Bank of China, acting on orders of the central bank, raised one-year U.S. dollar deposit rates in Beijing to 4.66 percent from 3.75 percent. It also raised Hoog Kong dollar one-year deposit rates to 5.25 percent from 5 percent.

The rate increases "will encourage repatriation of hard-currency earnings by Chinese exponers, said Fred Hu, executive director of Asian Economic Research at Gold-

man, Sachs & Co. in Hong Kong.
Other Chinese banks typically

The new rates, which took effect Tuesday, vary from city to city as

well as from bank to bank. China has cut interest rates five times since November 1996 to try to stimulate growth and reduce the interest repayments of state-owned

The economy is expected to grow 7 percent this year, its slowest pace since 1990, as the government increases spending and creates a record budget deficit. Incremental industrial output, the

main indicator of factory activity, increased 10.6 percent in the first two months of the year, helped by government efforts to expand domestic demand, the State Statistics

Bureau said Tuesday.

follow the lead of the Bank of China. Central University of Finance and vestments being carried out. Economics, said. "The most fun-damental factor driving output is that state stimulus measures launched last year have been gradu-

ally taking effect." The interest-rate cut comes amid mounting concern about a decline in direct foreign investment in China. A Trade Ministry official, Ma Yu, said Tuesday that foreign direct in-vestment would drop by about 56 percent from the 1998 official total,

to less than \$20 billion. Mr. Ma, director of the Trade Ministry Research Institute's foreign capital department, attributed the drop in his forecast to the fact that China was currently seeing "the three fewers" - fewer projects under negotiation, fewer await-He Qiang, an economist at the ing approval and fewer agreed in-

The main reason for the decline. he said, was that "countries affected by the Asian financial crisis are boxtoming out, and some will see their

situation improve.

He added. This means that more capital will be digested by these

countries. Key sources of past investment such as Taiwan, Hong Kong, South Korea and Japan are too weak resume injecting capital in volumes he said.

Also Tuesday, the official Liberation Daily quoted an official as saying that China would allow foreign companies to set up joint verrtures with private Chinese enterprises this year for the first time, in another effort to spur investment. (Bloomberg, AFP)

30-Year Low in Sales Is Forecast for Nissan

TOKYO - Nissan Motor Co. is likely to sell fewer cars in Japan in its next financial year than it has in any year since 1970, the Nihnn Keizai newspaper said Tuesday.

Altima sedans and Infiniti luxury vehicles are expected to fall 1.1 percent in the year through March 2000, to 910,000 cars and trucks, 36 percent below its peak of 1.43 miltion in the 1991 financial year, the 6.4 trillion yen, down 2.5 percent. aper said, without citing sources. Nissan and other Japanese auto- how much money we h
Japan's weak auto market has makers are closing assembly lines cide what to do with it.' paper said, without citing sources.

also prompted Nissan to freeze hir- now as demand plunges amid Ja-

ing, the report said.

The company is still evaluating the situation, said Masataka Saito, a spokesman, who added that it would release its own sales forecast and Sales by the maker of midsized hiring plans for the new financial year in May. Nissan has said it expects a group net loss of 30 billion yen (\$247 million) for the current year, widened from a loss of 14 billion yen a year earlier, on sales of

pan's worst recession in a half-century. Nissan is said to be negociating with foreign automakers on a possible alliance or merger. One of Nissan's rivals, Mitsubishi Motors Corp., last week closed and sold its

Maruko truck-transmission factory.
"We used to do business by deciding on a plan and then getting the money for it," Mitsubisbi Motors' executive vice president, Fumikazu Yokogawa, said. "Now we find out how much money we have and de-

Upbeat Reports For South Korea

Blownberg Vens

SEOUL - Business confidence in South Korea has continued to improve, and bank lending has risen for the first time in seven months, reports showed Tuesday, further evidence that the economy may be rebounding from its worst re-cession in 45 years.

The business survey index. an indicator of corporate expeciations, rose to 106 in March from 101 in February, with both. domestic demand and exports forecast to pick up, according to the Federation of Korean Industries, a lobbying group for

the 30 largest conglomerates. The rise was the second in a row after 30 consecutive months of decline. An index level above 100 means business conditions

are expected to improve. Bank loans outstanding totaled 239.5 trillion won (\$193.38 billion) at the end of February, 511.8 billion won more than a month earlier and the first increase since July, the Bank of Korea said.

Microsoft Allies With Hongkong Telecom

Corp. gave a boost to Hong Kong's high-tech aspirations Tuesday by announcing an alliance with Hongkong Telecommunications Ltd. and plans to take part in the region's formation technology companies,

Cyberport project. Bill Gates, chairman of Microsoft. Mr. Gates said while visiting the re-said high-tech would provide sig- gion, "because it is a signal that there terms of the deal were disclosed.

announced plans last week to spend S13 billion on Cyberport, which would provide infrastructure for in-

The Cyberport is important,"

Asence France-Press.

nificant growth opportunities in is a great opportunity for entrepreneurial businesses. It is important for orp. gave a boost to Hong Kong's

Financial Secretary Donald Tsang

Hong Kong to participate in that."

The partnership with Hongkong Telecom, to be known as Zoom, will help deliver Internet services, including electronic mail, movies and software rentals, on Telecom's high-speed network. No financial

INTERNATIONAL FUNDS

by hand groups to: STANDARD & PCCR'S MICROPAL, 1, 39-1 47, 28 09 09, 8-17 Advertisement March 9, 1999 For information please contact, Lyona Raab; Fax (33-1) 41 43 92 12 or e-mail: funds@iht.com To receive free daily quotations for your https//www.iht.com/IHT/FUN/fund re IAM Later America Souty re IAM Later Divers lord Fd m IAM Respect And CIS Fond HER HENTSON GROU Attention

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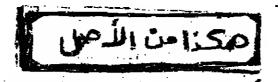
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CEOs Display Their Spring Green: It's the Season of Financial Disclosure that use then worth \$75 mill—wants to make good on those options from Viacom from the day he took over in 1987 the d

EW YORK - It's time for one of annual springtime events proxy season, when compaproxy statements begin flooding the mailboxes of rockholders, revealing how hany millions in pay and perks top executives scarfed

up in the past year or so. Normally, the people who get the most attention during proxy season are chief execstocks have been so doggy you can almost hear them barking. But instead of picking on losers, let's look at winners the folks who are loaded with stock in their own companies

part of their pay packages. Is any oseful purpose served by heaping options oo served by heaping options oo top of already massive stock be incentive pay," says holdings — what Wall Street Patrick McGurn, an ISS vice

vices did an analysis matchvices did an analysis match- already owo billions of dol-ing its compensation data lars worth of stock?" on of the 40 richest people in grandees, in fields from com- cluding Dell spokesmen —



Summer Redstone of Viacom, left and Michael Dell of Dell utives of companies whose Computer are standouts in this year's proxy statements.

the Forbes 400 list of wealthy puters to cosmetics to cruise individuals. ISS advises big investors on how to vote their shares, and it has nothing against stock options and big but still take stock options as pay packages per se. Its only concern is whether these deals are good for shareholders.

calls piling pig on pork?

To find these people, Institutional Shareholder Ser
president who performed the study. "How much more institutional Shareholder Ser-

ships. These people ruo companies with poblicly traded stock whose most receot proxy statement showed them getting stock opoons. The study also turned up a list of executives who could have taken opoons hot didn't. At the head of the opoons-

taking list is the fourth-richest persoo in America: Michael Dell of Dell Computer Corp. Dell's shares are up more than 100-fold in five years, cre-ating scads of 'Dellionagainst the compensa- ISS turned up seven aires." Many people - in-

age," a spokesman said.

Dell was served by giving him have to shell out \$75 million. else's proportionate stake. sation." a Viacom represen-6.4 million options (adjusted The company valued these Summer Redstone of Via-6.4 million options (adjusted The company valued these for stock splits) in 1998? He options at \$33.5 million when com Inc., who owns \$8.7 hil- a share and he says he oever already owns 190 million shares and his \$16 billion stake offers him ample incentive to get the stock price up.

Yet, at the same time the company is giving him stock options as reward and incentive. Mr. Dell, 34, is selling stock by the boatload. He has unloaded more than \$725 million of his shares in the past 15 months, according to CDA/Investnet data. Diversifying his holdings makes sense. But why take options at the same time that he's selling stock?

Now for a crucial point: Even though granting options doeso't hurt a company's reported profit, it does convey substantial wealth from the company - and, hy exteosion, from its shareholders -

to the option recipient. Mr. Dell's 10-year options gave him the right to huy stock

Mr. Dell's pay package. Iton and now is worth about options without diluting ex'You'd be hard pressed to \$550 million. Having options isting holders stakes in the until 1996, when he became would be a likely candidate for find any Dell shareholders on \$75 million of stock is betwho would object to his pack- ter than owning it, because Granting that, what purpose rises but don't lose if it falls. If instead it sells Mr. Dell new "The board decided it other than enriching Michael And, of course, you don't stock, it will reduce everyone wanted him to take compen-

The company valued these gave them to Mr. Dell.

company, it will have to pay \$550 million for stock it will you make money if the stock sell to Mr. Dell for \$75 million. is now taking options.

Now consider this: If Dell case. He took no salary or help other shareholders?

chief executive. He's still not our list. He took hefty options taking any salary or bonus but grants for years but didn't take

"The board decided it lion of stock, is an unusual will." Sure, but how does this

any in the most recent proxy filing. He may be the exception that proves the rule. As Mr. McGurn of ISS says, "Do you think Ellison worked any less hard last year, when he had no options, than he did in the years he got them?



₩ groupe Promodès

1998 results Promodès net income up 18.6%

in & millions in FRF millions	1998	1997	% Change 1998/1997
Sales - trade volume including VAT	32,561 213,584	26,155 171,567	+ 24.5%
Consolidated net sales	19,619 128,690	16,871 <i>110,666</i>	+ 16.3%
Operating income	4 9 7 3,260	434 2,848	+ 14.5%
Consolidated net income before minority interests	322 2,113	276 1,812	+ 16.7%
Net income	293 1,920	247 1,619	+ 18.6%
Earnings per share	€ 15.29 FRF 100.3	€ 12.90 FRF 84.6	+ 18.6%

Sales - trade volume including VAT corresponds to sales under Promodès Group banners + sales for companies accounted for by the equity thod belonging to Promode

> Seles grew sharply in 1998 with a 24.5% rise in, and consolidated net sales up 16.3%.

> The advance in sales outpaced growth in prior years and partly reflected recent acquisitions of new subsidiaries

> and equity interests by the Group. Operating income rose by 14.5% from € 434 million (FRF 2,848 million) to € 497 million (FRF 3,260 million). Excluding the impact of acquisitions, underlying growth

> was 9.1% for consolidated sales and 12.9% for operating Net income came to € 293 million (FRF 1,920 million), up

18.6% year-on-year, as was earnings per share, at € 15.29

Cash flow stood at € 677 million (FRF 4439 million) a 31.2% rise on tha year-earlier figure.

The Board of Directors will propose a net dividend of € 3 (FRF 19.68), a 15.8% increase on 1997, to the Annual General Meeting.

All Promodès shareholders are invited to the Annual General Meeting, to be held on May 19 1999, 2 p.m. at the Carrousel du Louvre in Paris, France

Very briefly:

The Hong Kong stock exchange named the local investment-banking arm of Merrill Lynch & Co. as its financial adviser for the merger and listing of its cash and futures markets. The merger, to be completed in about seven months, is aimed at improving the market's stock-trading technology and regulatory environment and increasing its competitiveness. Singapore and Sydney also are considering merging their stock and futures exchanges to try to become the leading financial

center in Asia. Julius Baer Holding AG repurchased the 11 percent of its shares held by UBS AG. The company said the shares, which represent 6.6 percent of the voting stock, or 2.5 percent of the divideod-bearing capital, were part of a share boy-back program totaling 123 millioo Swiss francs (\$84.1 millioo).

stock listings on the Secood Board of the Kuala Lumpur Stock \$27.2 million. Citigroup's operating earnings fell 27 percent Exchange to expand the free float of shares and the market's in the fourth quarter to \$1.4 hillion, compared with pro-forma liquidity. Beginning in April, companies will need a minimum figures for 1997.

of 40 million ringgit (\$10.5 million) of capital for a listing, up from 10 million ringgit, the market's regulatory body said,

• Vietnam imposed a 10 percent withholding tax on interest payments on offshore loans that snares not only foreign cootractors hut also banks and law firms, foreign analysts say. Allan Marlin, general manager of ANZ Bank in Vietnam, said his understanding was that banks that borrowed money from their offshore parents now had to pay withholding tax on the

· Citigroop Inc. may oot have had a stellar year in 1998, but its co-chairmen, John Reed and Sanford Weill, made out handsomely. Each executive received more than \$26 million in total compensation and stock options, according to a proxy statement Citigroup filed this week. Mr. Reed's compensation Malaysia is increasing the minimum capital required for totaled about \$26,4 million, while Mr. Weill received about Bloomberg, Reuters, NYT

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Herald Cribune **SPORTS**

Bad Day for NCAA

COLLEGE The NCAA agreed Tuesday to pay \$54.5 million to entry-level coaches who had sued because the governing body of col-lege sports had adopted a rule lim-

The settlement followed a lengthy court battle that grew out of the National Collegiate Athletic Association's "restricted earnings rule," which was adopted as a cost-cutting move by oear-unanimous vote of Divisioo I schools in 1991. The rule capped salaries for assistants in various sports at \$12,000 for the academic year and \$4,000 for the summer. But it was lifted in 1995 after the courts found that it violated antitrust law.

Separately, a federal judge in Philadelphia ruled that the NCAA could not require athletes to achieve a minimum test score in order to be

eligible for college sports.
The NCAA had required that freshmeo have a minimum score of g20 oo the Scholastic Aptitude Test, oo matter how high their high school grades were, in order to participate in college sports. District Judge Ronald Buckwalter held that the rule was unfair to hlacks. (AP)

Soccer to Try 2 Referees

SOCCER In an effort to improve officiating, FIFA said Tuesday is would experiment with two referees for every match in "top leagues" next seasoo.

Following a meeting of its technical committee in Zurich, the world soccer federation said it would conduct the experiment "in top leagues on all cootinents over an entire foot-ball season." Matches currently have one referee and two linesmen.

Europe's governing body UEFA said earlier this year that it was eager to adopt the idea once FIFA approved it. (Reuters)

The mayor of the Dutch town Zwolle called off Thursday's Dutch Cup match between the second divisioo team and Ajax Amsterdam because of concerns for public safety. Ajax fans had said they would protest in Zwolle after being allocated only 421 tickets in a stadium that holds 6,800. (AFP)

Tiger Woods Fires Caddie

GOLF Tiger Woods fired caddie Mike "Fluff" Cowan, ending a two and a half-year partnership. Cowan did oot carry Woods's bag twice this year, at the Buick Invitational in San Diego, which Woods won, and at the Match Play Championship two weeks ago. Woods hired Steve Williams, who worked for Raymood Floyd for 12 years, to replace Cowan.

Wind Stops Cup Races

SKING The downhill races in the World Cup finals in Sierra Nevada, Spain. were postponed Tuesday because of high winds. (Reuters)

WORLD ROUNDUP Duke vs. Florida A&M May Be a Bloodbath

Blue Devils Have Mauled Even Good Teams

By Bob Ryan The Boston Globe Service

OSTON - I've dooe the requisite research. The record margin of victory in the NCAA Men's Basketball Tournameot is 69 points. Loyola of Chicago abused Tennessee Tech hy a 111-42 score en route to winning the

championship in 1963. It's a factoid worth ooting, inasmuch as we have an on-paper mismatch of colossal proportions scheduled for Fri-day in Charlotte, North Carolina, Duke, the No. 1 seed in the East, will play No. 16 Florida A&M. This may be historic, even by 1 vs. 16 standards.

Duke is, well, Duke. The 10p-ranked Blue Devils are pulverizing people, and it doeso't seem to matter if they doo's have all their players. Shane Battier or no Shane Battier, Trajan Langdon or Trajan Langdon.

Duke trashes everyone. Florida A&M has two things going for it a great nickname (Rattlers) and a ooted band. Baskerball? The Rattlers may have won the Mid-Eastern Athletic Conference Tournameot, hut they're

much of a hoop thing going on down

there io Tallahassee. Bot here they are, Bring on the Blue

The Rattlers lost an exhibition game to a team from basketball-challenged Denmark, for God's sake, Theo they went out and lost their first 10 games of the regular season. Injuries reduced coach Mickey Clayton's roster to eight players.

Can't knock their timing, though. They picked a nice time to go oo a four-game winning streak, the last three of which constituted the MEAC Tournament. They knocked off Coppin State the first night, tonk care of Morgan State the next night and disposed of South Carolina State the night after that. Time to hreak out the finery. For the first time in school history, they're going to the

Florida A&M has given us Bob Hayes, the Olympic sprinter, Althea Gibson, the tennis player, and Vince testing every pass. Coleman, the baseball player. It has that fabulous band. The school's academic

At Duke, by contrast, Mike son. Krzyzewski is running the best basket- Ri ball program in America. The people at Duke want to have a great team, and so America. Coach K has all the oeeded resources to huild one. If he wants a player, he can go may be the ultimate national program.

It's a hit different at A&M. "Mickey

Clayton has oo secretary," reports John

Nogowski of the Tallahassee Democrat.
"He has to take care of all his own correspondence and make all the transportation arrangements for the team. I know for a fact he had to reach into his own pocket this year to help feed the team when meal money fell short."

When Coach K heads to a tournament game, he doesn't have to worry about anything. Claytoo iso't so lucky. Consider his trip to the airport for the trip to the MEAC Tourney in Richmond.

The athletic department bus was late," Clayton explains. "So we got players to take their own cars, trying to make our flight. It's storming and raining, and all of a sudden a guy hits my car, hroadside. Totals it."

The coach was O.K., but if that doesn't sum vear that starts 0-10. what does? My players are

walking around saying, 'Coach, you O.K?' It's just been that kind of season," Clayton says.
"Everything that could go wrong did go wrong. But we knew that if we hung in there, something positive would come from all

Among those positives were 37 points still, ahem, 12-18.

Want more? Duke is 32-1. The Rattlers have won 32 games in the last three seasons, and 48 in the last six. There isn't Morgan State. Tourney MVP Pippins threw in 22 more in the upset over South Carolina State in the final. Who could possibly measure what

this opportunity to put a team oo the floor against Coach K and mighty Duke will mean to Mickey Clayton? The coach is a 1975 A&M grad and the soo of an A&M grad. He formerly coached the Rattlers' women's team, and it was a rocky tenure, to say the least. His teams won more than their share, but some of his players objected to what they coosidered to be Captain Bligh tactics, and there was a player rebellion that ul-timately cost him his job.

He stayed on at the university in a conathletic capacity.

Meanwhile, the men's program was going nowhere, and when a change was needed two years ago, guess who got the call? It's a team of basic nonshooters, hut it will pound the glass and it will scrap every minute on defense, con-

The quality of Coach K's mercy may be tested in this one. Duke has been prowess earned it College of the Year beating up oo legitimate teams by an honors last year from Time Magazine. average of more than 25 points all sea-

Right now the Rattlers are smiling. There may oot be a happier bunch in

Things will be different oo Friday. They will be standing on the beach, after him, even if, like Langdon, he looking at the oncoming tsunami. If happens to come from Alaska. Duke you're a God-fearing man, you might say a prayer for the Rattlers in the hopes that Loyola will still hold the record when this one is over.



Rot Weiss Oberhausen's Daniel Scheinhardt for the ball Tuesday night in their German Cup semifinal match in Gelsenkirchen. Bayern Munich, the runaway Bundesliga leader, won, 3-1, and will go to the finals June 12 in Berlin. Jancker, Stefan Effenberg and Thomas Linke scored its three goals.

A Family Affair, but for How Long?

The Paris-Nice Bicycle Race Endures, but 'Big Fish' Are Circling

By Samuel Abt

NEVERS, France - Finally, the gray of winter begins yielding. In the park, crocuses stand in white rows; dowo the street, forsythia hushes have flared yellow; oo the balcony, the withered jade plant puts out green leaves.

Another hint of impending spring was oo the road Tuesday, moving at 40 kilometers an hour (25 miles an hour) the Paris-Nice hicycle race, which since its origin in 1933 has subtitled itself The Race to the Sun."

There is always sun in Nice, the oriso't. Sometimes at the finish of the weekloog race, after so many promises of sun and gaiety on the Cote d'Azur. Josette Leulliot is one of the few race almost everybody groans at the sight of more pewter skies. Everybody but the organizers. They are less interested in starters to distribute to spectators. the weather than in the fact that another time to begin working oo the next one.

- Paris-Nice and the three minor one-

day races that Monde Six operates are a advantages are clear. The Societe du passion but not a living for them.

Jacqueline Leulliot, for example,

works in a travel agency and has a clause riders who are skipping this 66th Parisin her contract that gives her this week off every year to head the press office of Paris-Nice. "I do this because I helped ONCE; among the absent riders are only of the runter has not been appeared to the process of the second of the process of my father wheo he ran the race," said, "because my family still runs the

race and because I love this race." Since Paris-Nice cannot entice daily television coverage because it cannot the race from 1995 through 1997. along the western flank of Burgundy in a afford to share the costs, she comes notes to waiting reporters.

has attacked and is being chased by so and so, numbers such and such," she ganizers of the race say, even when there says, reading the information that her sister Josette has phoned from the front lines of the 1.354-kilometer-long race.

But in an increasingly multinational The organizers are mainly members one big vague place, there may not be euros), leaving the race far behind its Nice. Last year, the Societe du Tour de by newspapers with lots of money, the death of her father, Jean Leulliot, terested in acquiring Paris-Nice and giv-who began the race. There are at least ing the creaky old thing a coat of shellac family business." three other Leulliots in the organization and modern husiness techniques, just as it plus people who have married into the has done for two Belgian races, the Fleche swallow small fish," she said. "That's, family, and all of them hold day jobs, too Wallonne and Liege-Bastogne-Liege.

oearly everybody in the top 15, including Laureot Jalabert, the French national champion and a participant in the last 10 editions of Paris-Nice and the winner of-His ONCE team is boycotting the race.

Tour de France has the money and the

clout to attract the hig teams and the star

stream of rain-soaked jerseys. That was around at the finish line to show her in its contiouing protest over police the Paris-Nice bicycle race, which since notes to waiting reporters. "So and so, oumber such and such, de France, which the team quit.

"Laurent says that between him and Paris-Nice, it's a love affair," Josette Leulliot has said. "We share that feeling. It's a shame for him. It's a shame that we've gotten to this state."

The Festina Affair, as the drug scandal is known, has cost Paris-Nice some of the sponsorship the race needs to meet. its 6 million franc (\$1 million) budget, she admitted: "We've had to tighten our Paris-Nice race has ended and now it's Europe, where even the currency — the belts." The overall prize list amounts to unseen euro - will issue someday from just under 800,000 francs (121,600. of the Leulliot family, headed by Josette room for an artisanal race such as Paris- competitors. "Other races are sponsored-Leulliot, who took over the sponsoring organization, Monde Six, in 1982 after France let it be known that it was in Jacqueline Leulliot said, 'or companie'

the way life is, and that's the way bicycle Negotiations are continuing, and the racing is. Or is becoming.

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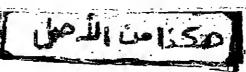
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SPORTS

Today's Yankees Remember No. 5

DiMaggio Filled Them With Awe

By Buster Olney New York Times Service

TAMPA, Florida - They gan paying tribute to Joe mentioned how they never had the intestinal fortitude to ask morning, fans old and young DiMaggio for an autograph. visiting the pinstriped plague crected in his name outside Legends Field.

The Yankees players, too, honored the man introduced as "the greatest living ball-player" at Yankee Stadium every year. Before Monday night's exhibition game with O'Neill and asked, "You as "the greatest living ball-Philadelphia, they emerged from their dugout, hats off, for a moment of silence, DiMag-gio's No. 5 sewn onto the left sleeve of each uniform.

When a highlight reel was shown on the video scoreboard, the fans all stood before anybody asked them to. It's a sad day here." David Cone said.

Said Derek Jeter: "There was a mystique about him, the yay he played."

To Jeter and to most of the other Yankees, DiMaggio

was royalty who passed through the clubbouse once or twice a year: You never initiated conversation with him. You could joke and langh and swap stories with Whitey Ford and Reggie Jackson and

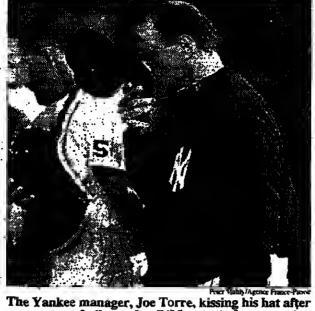
DiMaggio, most of the Yankees remained silent until he spoke to them. Jeter, Darryl Strawberry, Cone and others

But DiMaggio repeatedly surprised them. Someone apparently mentioned to DiMaggio that right fielder Paul O Neill had a collection have that bat for me to sign?" That bat, O'Neill said, is encased in his basement, "and always will be."

race with Cone once, told him he had seen him pitch on DiMaggio. Before DiMaggio on Old-Timers' Day, DiMaggio many occasions. "Sometimes you look unhittable," said game of last season on loc in the dugont state. DiMaggio came face-to-DiMaggio, "and sometimes you look very hittable."

Cone laughed Monday, re-

tail between my legs."
DiMaggio once paused to compliment Bernie Williams, the latest heir in the Yankees' long line of superlative center Phil Rizzuto and Steinbrenfielders. The praise stunned Williams, so much so that he does not recall anything else other Yankee greats. With DiMaggio said to him.



a moment of silence for DiMaggio before a spring training exhibition game at Legends Field in Florida.

Toronto less than three weeks gend obliged him. game. Wells was so fidgety calling the exchange. "I didn't during the game that Manager know what to make of it," he said. "I walked away with my tail between my legs."

game. Wells was so inagery this stride even and graceful. You could see what a wonderful athlete he was, O'Neill gio — and Wells did, taking gio — and well gio — and Wells did, taking gio — and Wells did, taking gio — and Wells did, taking gio — and well gio the elevator to George Steinbrenner's office.

Wells joined DiMaggio, ner, gabbing and laughing. April — and say, "Good Wells asked DiMaggio — lnck." And then he walked off steadily into the dugout, called him --- for an anto-

David Wells, traded to graph, and the Yankees' le-

game of last season, on Joe in the dugout, then smolled onto the field, hall in hand, ulated Wells on his perfect O'Neill was struck by the way DiMaggio moved in his 80s,

> ball, he would move forward disappearing.

After throwing the first

Rangers See Toronto's 2 and Raise 1

New York Times Service

the New York Rangers stood almost flatfooted in the early minutes while Toronto zipped around them and scored twice .500, the Rangers also tied the Boston within a minute to take a two-goal lead. The Rangers of early this season might have meekly allowed their un-

defeated streak to end at that point. But New York scored late in the first period to keep it close, once in the third to tie it and once in overtime with 13.7 seconds remaining for a 3-2 victory.

Petr Nedved, who played with a bloody cut stitched over his left eye and the big letter "A" of the alternate captain stitched over his heart, scored the last two goals. Nedved wore the letter, for the first time as a Ranger, because Ulf Samuelsson had left the lineup with a concussion.

Minus Wayne Gretzky, who is in-

jured, the Rangers have turned to Ned-NEW YORK - Playing against a top ved. His goals were set up by Brian team that attacks with speed and style, Leetch, the captain, who also set up the first one by Kevin Stevens.

In raising their won-lost percentage to

NHL ROUNDUP

Bruins for the eighth and final playoff berth in the Eastern Conference. The tie extended the Rangers' defeated streak to six games.

Leetch said, "You don't feel as tired or sore when you're winning."
He played 30 minutes, 35 seconds,

and put five shots on goal. Leetch's turnover in the first period set up Toronto's first goal by Mike Johnson at 12:29. Toronto's Derek King scored 44 seconds later, hor Stevens hrought the Rangers hack to 2-1 at 14:41 of the first period.

The Rangers finished with 35 shots on goal, the last of them on the power play in overtime after Toronto's Lonny Bohonos was sent off for boarding.

After the game, Toronto Coach Pat Quinn yelled at the referee, Paul Devorski, and threw a towel on the ice. In other games, The Associated Press

reported: Panthers 5, Canadiens 2 Ray Whitney. Peter Worrell and Johan Garpenlov scored in a 4:28 span in the second

period as Florida won in Montreal. Senators 9, Lightning 3 Magnus Arvedson scored Ottawa's first hat trick at its Corel Centre as the Senators erupted for eight straight goals. Senators captain Alexei Yashin tied his club record for goals in a season with his 34th and 35th. Hurricanes 4, Sabres 1 Andrei Kovalenko scored in his first game with Carolina as the Hurricanes extended their

home unbeaten streak to five games.

Gut Instinct Gives Milwaukee a Victory

After Milwaukee started poorly the Bucks coach, decided to go with his the court for us," Karl said.

gutstest, most inspired players.

The strategy worked, lifting Milwaukee past the Bulls, 81-76, on Monday night. It was the Bucks' third victory in as many games this season against the Bulls. "At halftime, I just decided I was and shake hands with the going to go with more than a shooting catcher — Joe Girardi last team or a hig team; I was just going to go April — and say, "Good with my best attitude team," Karl said.

Michael Curry apparently had the best attitude, Curry's 15-foot jumper put Mil-

for good -- at 75-74 with 3:07 left. He Philadelphia to win its seventh in a row finished with 10 points. 'I thought Mi- at home. against the Chicago Bulls, George Karl, chael Curry's guts was very obvious on

NBA ROUNDUP

Chicago led by as many as 15 points in the second quarter and took a 47-37 halftime lead. "Boy, it was ugly," Karl said of the first half. "We carne out flat. We didn't have a defensive attitude in the game, and they got off to a hig lead.

Trail Blazers 92, Grizzlies 73 Jimmy

Jackson scored a season-high 21 points as nagging injuries didn't prevent Portland from winning its seventh straight in Vancouver.

Pistons 75, Wizards 71 In Detroit, Grant Hill had 19 points, 8 assists and 8 rehounds to lead surging Detroit, which has won seven of eight. Washington has just two wins in its last eight games.

Hawks 114, Magic 110 Mookie Blav-Heat 91, 76ers 89 Dan Majerle put in lock's steal of a pass with 5.4 seconds attitude. Curry's 15-foot jumper put Mil-waukee ahead for the first time — and 1.1 seconds remaining as Miami beat lando's 10-game home winning streak.

SCOREBOARD

BASEBALL EXHIBITION BASEBALL Testos & Tompo Bay 4 Ceveland 4, Toronto 3 Minnesoto & Boston 3 Kansas City & Florida 4 Battimore 10, Los Angeles 0 Allanta 9, Detroit 7

outlon 2, 51, Louis 1' Itsburgh 3, Clackmail 2 Now York Mats 3. Montreol 2 Obkland 9, Chicago White Sox 7 Colorado & Chicago Cubs 5. 10 junings

lphig 7, New York Yankees 6

BASKETBALL **NBA STANDINGS** EASTERN CONFERENCE 588 556 467 412 188 .706 .667 .611 .529 .467 .375 .267 .235 5 7 8 8 10 11 Pct ,765 .647 .556 .556 .316 .278 .222

7 563 4½ 0 529 5 9 500 5½ 10 412 7 15 500 13 MONDAY RESULTS. Philadelphia 22 25 24 17—89

Mkani 28 27 17 25—97

P: Iverson 7-20 12-14 28, Snow 7-10 0-0 14:
M: Porter 7-9 3-5 20, Mauming 5-8 5-7 15.

Rebogads: Philadelphia 47 (Hughes, Lynch, Rolliff 8), Microl 46 (P.Brown 11). Assists:

Atlemba 27 38 32 25—114
Orlondo 24 36 21 29—110
A: Smith 9-17 5-6 24 Henderson 7-18 5-6
19: O: Anderson 11-17 7-9 34 Hordoway 7-13
1-1 16. Rebounds: Atlemba 62 (Murtomba 17),
Orlondo 46 (Anderson 10). Assists: Atlenta 23 (Bioylack 9), Orlando 26 (Americang 9),
Washington 26 20 20 11—71
Detroit 17 19 23 16—75
W: Richmond 8-14 6-6 22, Howard 7-17 0-0
14: D: Hill 2-17 5-9 19, Vanohi 2-13 4-6 18.

W: POSMODO 8-18 6-3 2.5 | Power of 17 1-9 4. 14. D: Hill 7-17 5-9 19, Varught 7-13 4-5 18, Rebounds: Weshington 51 (Thorpe 17), Defroit 43 (Dele 9), Assists: Weshington 21 (Actinuts 9), Defroit 15 (Hill 8).

Chicago 24 23 18 11—76 Milwayline 15 22 17 27—81 Chicago 15 (Power 6-17 2-3-18 Milkayline) 15 (Power 6-1 C: Surry 6-14 4-4 19, Brown 9-17-23-38; M: Allen 6-13 4-4 17, Brundon 5-13 4-4 14. Rebetwelt; Chicogo 46 (Kutac 9), Milwaukee 22 (Gilfon 8), Assistic Chicogo 21 (Brown 8), Milwoukee 19 (Brundon 8).

25 19 28 20— 92 15 22 21 15— 73 11. V. Abdur-Rufen 6-11 7-719, Lopez 5-12 2-2 12. Rebounds: Portland. 56 (Grant 9). VanCouver 45 (Parlar 9): Assists: Portland 28 (Stoudamire 8), Vancouver 12 (Bibby 5).

THE AP WOMEN'S TOP 25 ...



Marys, Cal. 12 Cincinnot! 11, Stanford & St. ICEHOCKEY NHL STANDINGS EASTERN COMPERENCE

25 31 9 59 155 174 HEAST DIVISION

W L T Pis GF GA
29 23 13 71 168 158
23 23 17 63 165 170 27 31 5 59 167 168 15 43 5 35 136 233 CENTRAL DIVISION

W. L. T. Pts. GF. GA

32 26 6 70 191 163

26 26 10 62 173 160

22 36 6 50 151 208

1B 37 9 45 142 198

W L T PIS GF GA 32 24 8 72 177 159 25 29 10 60 178 168 23 30 10 56 165 178 19 35 10 48 154 200 MONDAY RESULTS

Moniteel 9 1 —z
First Period: F-Nicdommyer 16 (Whitney,
Svehic) (pp), Second Period: F-Whitney IB
(Kozlov, Porrish), 3-F-Worrell 3 (Muller) 4, FGorpersiov 5 (Dwork, Carticre) 5, M-Cosson
12 IKohru, Brisebols) Taird Period: FLindsay 12 (Worle), Muller) 7, M-Dianov 3
(Thornion, Stevenson) Shots on gool: F-7-137—27, M-13-7-13-33, Goolies; F-McLeon.

N.Y. Rungurs

First Period: T-Johnson 19 (D.King) 2. T-,
D.King 20 (Johnson, Karpovksv) 3. New
York, Stevens 17 (Leetch, Savard) (op).
Second Period: None, Third Period: New
York, Nedved 16 (Leetch, Moel,ean)
Overflame, 5. New York, Nedved 17 (Leetch,
MacLean) (op). Shots on gool: T- 14-6-42—26. New York, 11-6-15-3—05. Goallies: THealy, New York, Richier.

First Period: Caroling, Kavalenko 14 (HIIL

McEochem) (pp). Shots on goal: T- 6-6-7-19. Ο- 5-20-13-38, Geolies: T-School.

CYCLING

PARIS-NICE Leading placings Tuesday 203-km, (113-

mile) 2d stage from Sens to Nevers.

1. Juny Kirsipus, Estenia. Cosina 5 hours 45 minutes 23 seconds 4. Robbje McEwen, Australia, Robshook, 4. 4. Robbje McLwest, Australia, Robbomik, \$1.

5. Andrej Hauphron. Stovenia, Caldirok, \$1.

4. Jo Planckaerf, Belegsim, Lotto, \$1.

7. Stoot O'Grady, Aus, in Credit Agricole, \$1.

8. Rolf Sorensen, Denmark, Rabobomik, \$1.

9. Salvatore Commessa, Italy, Soeca, \$1.

10. Frederic Finot, Fr., Credit Agricole, \$1.

Overall: 1. O'Grady 10 hours 38 minutes 0 econds; 2. Andrei Chmil, Belgium, Lotte at seconds; 2. Andrel Chmil, Belglum, Lotta at 4 sec: 3. Sarensen 21 seconds; 4. Marc Wauters, Belgium, Robobank 28: S. Axel Merclo, Belgium, Mapel 29: 6. Maarten den Bakker, Netherlands, Robobank 32: 7. Erik Dekker, Netherlands, Robobank 5.1.: 8. Michael Boo-

SOCCER

FRENCH FIRST DIVISION

TENNIS EVERT CUP

QUARTERFINA Hock Morton Q Cellic 3 is draw: 51 Joh

MONDAY IN INDIAN WELLS, CALIF. THIRD ROUND Marting Hingts (1), Switzerland, def. Patty twyder 110), Switzerland, 6-1, 6-3. Seles (3), U.S. 6-2 6-4.

NEWSWIEK CHAMPIONS CUP HONDAY IN BIDIAN WELLS, CALIF, FIRST ROUND Greg Rusedski (10), Brildin, def, Petr Kordo, Czech R., 6-3, 6-4. Marret Seffer, Rossie, def. Thomas Engvist (13), Sweden, 6-4, 6-4. Paul Haarhuis, Netherlands, def. Albert

Posta 115). Spain, 7-6, 6-1.
Thomas Johansson (16). Sweden, def, ason Stotlenberg, Australia 6-2, 6-3.
Nicolos Kiefer, Germany, def, Mariano Puerta, Argentina, 6-3, 6-2.
Francisco Clovet, Spain, def, Wayne Fer-

reira. South Africa, 6-3, 6-2. Hicham Arazi, Morocco, def. Tommy Haas,

Hickam Arozi, Morocco, del. Tommy Haas, Germany, 5-5. refired.
Felix Mantilla. Spain, del. Amoud Di Pasquale, France, 6-4. 6-4.
Gustava Kuerlen. Brazil, del. Thomas Muster, Austria, 6-2. 6-4.
Sieng Scholken. Netherlands, del. Janos Bjorkman, Sweden. 1-4. 7-6 (7-4), 7-6 (8-6).
Jan Stemerink, Notherlands, del. Michael Chang, U.S., 7-5. 6-3.
Cedric Pioline, France, del. Mariana Zobaleta, Argentina, 6-4. 4-6. 6-3.
Xovier Malisse, Belgium, del, Davide Sangunetti, Italy, 6-1, 3-4, 6-1.
Mark Phisppoussis. Austrafia, del. Bohdan

Ushroch, Czech R., 7-6 (7-5), 7-6 (7-4).

TRANSITIONS BASEBALL

Worker Chapman, LHP SCOR Eyre, RHP
Keith Febtike, RHP Dwyne Jacobs, RHP
Seat Lowe, RHP Dovid Lundquist, RHP
Joson Olsen, LHP Jim Parque, LHP Mike
Shrotka, RHP John Snyder. LHP Bayan Ward,
C Mark Johnson, C Robert Machada, C Josh
Pool, INF Mike Caruso, INF Carlos Lee, INF
Jeff Lieter, INF Maria Valdez, INF Craig
Wilson, OF Jeff Abbott, OF McKay
Christensen, OF Tyrane Pendergrass, OF
Brian Simmons and OF Chris Singleton on 1rear Contracts.

Brian Simmons and OF Chris Singleton on 1-year Contracts.

DETEOT—Agreed to lemms with RHP Seth Greisinger. RHP Matt Anderson. RHP Mike Grzonich. C Robert Fick. INF Gabe Alvarez. INF Frank. Catalamotta. INF Geth Cruz. INF Jason Wood. OF Juan Encamacion. OF Karlin Garcia and OF Gabe Kapter on 1-year contracts.

N.Y. YANKEES—Renewed contract of RHP Ramira Mendaza.

TORONTO—Bought controct of QF Ryan Freel from Knoxville, SL Announced INF Fe-lipe Crespo cleared waivers and was sent outright to Syracuse, IL. NATIONAL LEAGUE

ATLANTA—Renewed controcts of RHP Kevin Milwood and OF Andruw Janes. CHICAGO—Agreed to terms with RHP Kerry Wood. RHP Jereni Gonzalez. LHP Felix Heredia, RHP Rodney Myers. RHP Kurt Miller and C Sandy Martinez on 1-year controcts. Agreed to terms with 18 Hee Seap Chol.

COLORADO—Agreed to terms with DF Larry Walker an 6-year contract extension, and RHP John Thomson on 1-year contract.

RHP John Thomson on I-year controct.

FLORIDA—Agreed to terms with RHP Ryan
Dempster, LHP Kirt Olala, INF Luis Costillo,
INF Croig Counsell, INF Kevin Orie, DF Todd
Durwoody and DF Preston Wilson.
PHILADELPHIA—Agreed to terms with C
Bobby Estalella on I-year controct, Penewed
controcts of OF Wendell Magee and RHP
Carlton Locwer.
PHTSBURGH—Agreed to terms with 1B

PITTSBUROH—Agreed to terms with 1B Kevin Young on 4-year contract.

SAN DIEGO—Signed LHP Health Murray, RHP Math Clement, RHP Stan Spencer, INF Damian Jackson, RHP Carlos Almanzar, RHP Will Cunnane, 3B George Afras, INF Ed Giovanola, INF Andy Steets. CF Ruben Rivera, RHP Brian Boehringer to 1-year contracts, Renewed contractor RHP Donne Wolf, Agreed to terms with RHP Watcar Serrana, RHP Stan Spencer and RHP Jose Mercedes.

SAN DIEGO-Agreed to terms with RHP

BASKETBALL ATLANTA—Activated G Steve Smith from injured 5t. Released G Jeff Sheppord.
CHARLOTTE—Announced resignation of coach Dave Cowens.Named Paul Silas Interim coach. Waived G-F Wiffic Burlon.
NEW YORK —Activated G Lattelf Sprewelf from Injured list, Put G David Wingdte an injured set.
Distance. Activated C Januthan Kenner.

PORTLAND—PUT F COINS ROGES OF Jured list. Activated G John Crotty from Jured list. SEATTLE—Put G Moochie Norts an inj list and activated G Orew Barry from II.

NATIONAL FOOTBALL LEAGUE ATLANTA—Signed CB Ronnie Bredford to

Oliver Gibson.

CLEVELAND—Signed OB Morquez Pope to
2-year Contract and T Comas Brown to 3-year
contract. Named Joe Collins player personnel
director. Signed RB Terry Kirby.

DERVER—Named Neal Daklen general OETROIT—Signed OB Gus Frerotte, DE aul Spicer, G Dwayne Morgon and OB Cory

Souter.
CREEN BAY—Re-signed WR Pot Polmer.
INDIANAPOLIS—Signed OB Stoney Cose.
JACKSONVILLE—Signed CB Agron Begsley, RB Christ—Begsed CB Agron Begsley, RB Christ—Begsed CB Agron DB
Erik Stozen DE Jobbar Threats and DE

Lamanzer Williams.

NEW JERSEY—Walved G Domon Jones.

Activated G Luctous Harris from Injured list.

N.Y. JETS—Agreed to Ierms with LB Roman

Philer on 3-year contact.

OAKLAND—Added Mike Lombord to

team's player personnel department.

PHILADELPHIA—Signed DT Mark, Wheeler
to 4-year contract.

ST. LOUIS—Signed OB Kurt Wanner, TE

Chad Lewis, DB Joe Rowe, DB-WR Donald
Schers, G Tam Nurten and LB John Munch.

SAN OLEGO—Signed S Brian Clark to 1-year

contract.

SAN FRANCISCO-Signed WR J.J. Slokes to 7-year contract. Signed LB Vernon Strick-land. Named Brett Mosie defensive assistant and secondary coach, and Chris Beake de-

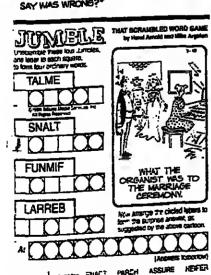
year contract.
WASHINGTON—Signed QB Cospy Weldon
to 2-year contract.
HOCKEY LEAGUE
NHL—Suspended Defroit F Serget Fedoror
for Signes for sizshing incident against N.Y.
Islanders D Zdeno Chara in Feb. 27 game.
FLORIDA—Traded C Viadrosiav Butsayev
to Ottower for 1999 8th-round draft pick.
N.Y. RANGERS—Claimed RW Mike Manelik off walvess I loan Chicago. Recalled D luk off walvers from Chicago. Recalled D Alexel Vasilley from Harrford, AHL.

lenka to Carolina tor D Adam Burl, Recalled G Jean Marc-Pelletier from Philadelphia, AHL ST. Lauts—Signed O Clidier Tremblay, VANCOUVER—Traded D Jamle Huscraft to

DENNIS THE MENACE



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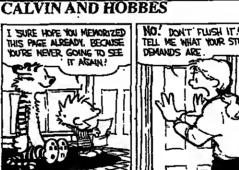








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3-10



POSTCARD

Realities of Paris

By Craig R. Whitney

ARIS — Paris always has I loomed large in the Amer-Hemingway and James Baldwin all fell under its spell.

Myth and countermyth have all illuminated and obscured the historical reality of tory has to say sounds almost the city through the centuries, new. Think of the Louvre, for says Patrice Higonnet, a example, as the royal palace French-born Harvard profes- of French kings and he will sor who has devoted a lecture remind you that Louis XIV. series to the subject this year at the College de France.

This presngious insolution has been constructing and deconstructing myths since 1530, and this year one of its vast renovated lecture halls, next to the Sorbonne, has been filling Thursday afternoons with Parisians who come to hear Higonnet ex-plain how the idea of Paris has sidered Medieval Paris filthy changed over the years.

Hemingway and his friends in the "lost generation" were truly lost in Paris, he says. They did not speak French and were not interested in the art or culture of the people around them. For Hemingway and most of his friends, Paris was one long hinge, all the more enjoyable because it wasn't very expensive," he said.

Americans may go to Europe 10 be Americanized, as Ralph Waldo Emerson put it more than a century ago. But ancient neighborhoods to cre-Higonnet, whose father was ate the Paris that so many French and his mother French and Hungarian, often comes to Paris to renew his French roots. He was born here 60 years ago but has taught at Harvard since getting his doc-

torate there in 1964. The College de France indents of Europe to do research and then share their findings in lectures and seminars that are open to the public.

"Essentially, the audience here is retired people who have an interest in culture," Higonnet said, "but there are also students, and colleagues ican imagination: Thomas Jef- who are professors. You can't ferson, Henry James, Ernest say stupid things, but it's impossible to satisfy everybody in the audience.

Much of what this specialist in 18th-century French histhe greatest of them all, could not tolerate Paris and did not consider it the French capital at all. For the Sun King, that was the vast palace he huilt in Versailles, from which he ventured forth to Paris only

24 times in 44 years. Think of Paris as Notre Dame, and his lectures tell you that the Enlightenment conand barbaric, and the Cathedral a monstrosity. Desecrated hy the Revolution, Notre Dame de Paris nearly fell to ruins before Victor Hugo took up its cause and helped to save it in the late 19th century -as the centerpiece of a new myth, "le vieux Paris."

That myth took root only after the Second Empire Prefect Baron Georges Eugene Haussmann pierced wide boulevards through the Quartier Latin and other crowded. people so love today.

Higonnet's latest book,

"Goodness Beyond Virtue," is about the Jacohin movement during the Revolution, and after his last lecture April 15, he said, he planned to write another book about the Revvites some of the finest stu- olution. But, shartering the myth that all the French are natural-born chefs, he said. "I'm going to cooking school as soon as this is over

Bringing to Life a 5-Year-Old Malcontent

By Jesse McKinley New York Times Service

the Lomans and other gloomy characters, the true master of existential angst just may be a 5-year-old cartoon malconient by the name of

Sally Brown.

The actress responsible for Sally's delectable depression is Chenoweth, a diminuove some of the season's best reviews as Charlie Brown," playing at the Ambassador Theater on Broadway.

One of the reviewers, Ben Brant-ley of The New York Times, said that Chenoweth was giving "one of those break-out performances that send careers skyward." John Simon, the theater critic for New York magazine, called her perfor-

mance "perfection."
All of which, Chenoweth said, took her hy surprise. "The word shock is an understatement," she said of the aftermath of opening night. "I got a phone call at about 3 that morning from a friend in Cali-fornia, and he was screaming. You haven't read the reviews? I said. 'No.' He said, 'You need to read

Since then, Chenoweth has been sought after hy casting directors. film studio executives and Broad-

way producers.
The reviews and subsequent artention have made her happy, but Chenoweth said her initial reaction was mixed because the musical received less positive nooces than she did. "It really could have been horrendous to be singled out," she said. "I just didn't want anyone else to hurt."

But her collaborators on the smart, smart performer." show say Chenoweth's appeal in the role was evident even before it came in early 1997 as a tear-prone carded Party and brought the char-came to Broadway, when it was on princess in Moliere's "Scapin," acter of Sally to the stage by culling Parton and the gospel singer Sandi

a tryout run in four cities. "We were on the hus in Skokie, and she was flooring all of us." said Mi-NEW YORK — In a Broadway chae! Mayer, the musical's director. season packed with Electra. "It was so clear to everyone that she 'It was so clear to everyone that she was going to be a major player."

A player is probably not the first thing that would come to mind when meeting Chenoweth. Just under five feet tall, she has blue eyes. "I was jumping rope, everything seemed fine," says Sally, in a martini-dry deadpan. "And suddenly, it all seemed so futile."

blond hair and a smile that could charm a pit bull. "I sort of view this job like a playground for me," she said. "I just play." said. "I just play."

An Oklahoma native with

vestiges of a Southern accent, Chenoweth has had a life colored 28-year-old who has been receiving by a wide spectrum of all-American experiences, from her early Charlie Brown's kid sister in the dreams of being a Nashville music revival of "You're a Good Man, star to a stint as a beauty queen

Her favorite leisure activity is shopping, she said, preferably in malls. Her first serious boyfriend was a professional baseball player. "I think he thought this was going to be a hobby," she said of her

She delicately sidesteps the trappings of young divahood. She doesn't especially like fancy res-taurants, she said, preferring fast food. "I like places where the food's ready when you walk in.' she said.

Her dressing room holds an array of high kitsch, ranging from a set of Sally Christmas lights to a small futon adorned with Barbie of Irwin. sheets, a gift from her cast mate,

B.D. Wong., who plays Linus. This all might make her easy to pigeonhole as a Kewpie doll, ex-cept that her colleagues also point to an enormous talent and uncanny

comic timing. There is so much more than meets the eye," Wong said. "I think because of the way she looks, people think A, she's dumh and B, at Chenoweth, he said, the more he she doesn't know what she's doing up there. But it's not a coincidence what's happening up there. She's a

Chenoweth's New York dehut



Kristin Chenoweth signing autographs outside the theater.

with Bill Irwin at the Roundabout's dialogue from hundreds of Laura Pels Theater, Several critics Schulz's strips. He had Chenoweth noted her comic timing, a talent she

came through that experience."
In 1998 Mayer cast Chenoweth
in "Charlie Brown," but not as Sally. The character didn't exist in the original version of the musical; Chenoweth was to play Peppermint Party. But the more Mayer looked

wanted to do something new. So Mayer, with the hlessing of Charles M. Schulz, the creator of the "Peanuts" comic strip on which the musical is based, dis-

in mind, and she was an easy fit. "Kristin's got this comic ruthless-"Bill Irwin kind of taught me how to act," she said. "I'd had acting classes, hut the main teaching came through that experience."

formance came singing as a child in her hometown church in Broken Arrow, Oklahoma, a Tulsa suburb. Raised as a Southern Baptist, she still attends church regularly.

She said her parents, "a chemical engineer and a domestic goddess," were surprised by her early talents. "I came from a family of intellectual beings," she said.
"And then there's me."

Her childhood idols were female vocalists, ranging from Judy Gar-

Patti. At around age 7, Chenoweth began recording her songs, thoughts and observations on a portable tape recorder. She still has the tapes and

they sound remarkably like Sally.
"My mom, she's a gripe," said a young Kristin on one tape. I never heard so much gripe. The other side of the tape has a young Cheno. weth performing in a make-believe show called "Fun With My Flute." In high school, Chenoweth pursued a singing career and very nearly ran off to Nashville to do so, when ber father insisted she go to college. She enrolled in Oklahoma City. University, a private college with a large dance and musical theater

program.
Soon, she began to study opera, deepening and strengthening a voice that was rapidly approaching a four-octave range. She also began studying acting and doing summer stock theater.

After finishing her undergraduate degree, Chenoweth earned a master's degree in opera perfor-mance at Oklahoma City in 1995. She was accepted by the Academy of Vocal Aris in Philadelphia for further training. But before beginning classes, she went to New York to help a friend move in. There, two weeks before the term

was to begin, Chenoweth decided on a whim to audition for a role in the Marx Brothers' "Animal Crackers" in New Jersey. Once again, she was surprised by the reaction. "I jus. decided to do it to see bow I would

" she said. "And then I got it." To her parents' dismay, she took the part and abandoned her opera aspirations. The role led to other jobs in regional theater and, even-

tually, to Broadway.

And from there? Since being anointed as a star in the making, Chenoweth said she has been approached about acting in several television shows and films and is interested in that direction.

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But not for now. 'it's only every so often you get to play a part like this," she said. "I'm kind of enjoying playing a

PEOPLE

sic Awards with six nominations, including one for the duet "Just to Hear You Say That You Love Me" with her husband. Tim McGraw. Garth Brooks, Brooks & Dunn and Steve Wariner received four nominations each. Brooks, McGraw, George Strait, Shania Twaln and Brooks & Dunn are vying for the coveted entertainer of the year award. The awards will be presented May 5 on a CBS broadcast from Universal City, California.

George Jones, critically injured in a traffic accident, has made good improvewithout a ventilator. "He still has a lifethreatening injury, but everyone is encouraged by how well he has done since his accident," said a spokesman for Vanderbilt University Medical Center in Nashville, Tennessee, The 67-year-old country music legend is still in critical condition, however. Jones smashed his sport-utility vehicle into a hridge near his

wearing a seat belt, the authorities said.

THE singer Faith Hill led the nomhome over the weekend. He was talking eral judge in Los Angeles ruled that \$1.5 million in compensatory damages on his cell phone at the time and wasn't Hoffman should be compensated for the and \$1.5 million in punitive damages. cost of filing a suit against the magazine, which ran a computer-generated photo of him in a dress and high heels. Hoffman's

A judge has ordered Los Angeles
Magazine to pay Dustin Hoffman
\$270,000 in legal fees, part of what the actor spent suing the publication, A fed-

Awards by National Book Critics Circle

New York Times Service NEW YORK — "We Wish To Inform You That Tomorrow We Will Be Killed With Our Families," Philip Gourevitch's account of the 1994 massacres in Rwanda, has been named the best nonfiction book of last year by

the National Book Critics Circle. The winner in fiction was Alice Munro's "The Love of a Good Woman," a collection of eight short stories, and the winner in biography was "A Beautiful Mind" by Sylvia Nasar. It is a hiography of John Forbes Nash Jr., a mathematical genius who laid the foundations for modern game theory that influenced mathematics, economics and eventually Cold War strategic think-

The award for poetry was given to Marie Ponsot's "The Bird Catcher," and the award for criocism went to Gary Giddins's "Visions of Jazz: The First

The pop singer Cher went to Stockholm on Monday to pick up the "Rock-bjoernen" music prize for best foreign pop song in 1998, which was awarded by readers of Aftonbladet newspaper. Cher won the a ward for "Believe." which has topped the charts in 21 conturies. Madonna was named best foreign artist and her "Ray of Light" was named best foreign CD, but she did not turn up in Stockholm to collect.

There is no evidence that Tommy Lee ated probation by drinking alo reported by the New York Post, a judge has ruled, but he gave the Motley Crue drummer a stern warning. Lawrence Mira, a municipal judge in Malibu, California, stressed that during his three-year probation Lee was not even to enter a place where alcohol is sold and warned him that another mistake could send him to prison for three years.



SETTING OFF — David Hempelman-Adams starting his attempt Tuesday at an unsupported, solo walk from Eureka, Alaska, to the North Pole.



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